

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
CONFERENCE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE NO. 2 FOR  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 718**  
94TH GENERAL ASSEMBLY  
2008

3497S.10T

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**AN ACT**

To repeal sections 32.105, 67.1501, 67.1545, 94.900, 94.902, 99.820, 135.815, 135.967, 137.115, 447.708, 620.1878, and 620.1881, RSMo, section 99.825 as enacted by senate committee substitute for house committee substitute for house bill no. 741, ninety-fourth general assembly, first regular session, and section 99.825 as enacted by conference committee substitute for house committee substitute for senate bill no. 1, eighty-ninth general assembly, second extraordinary session, and to enact in lieu thereof fifteen new sections relating to tax incentives for business development.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 32.105, 67.1501, 67.1545, 94.900, 94.902, 99.820,  
2 135.815, 135.967, 137.115, 447.708, 620.1878, and 620.1881, RSMo, section 99.825  
3 as enacted by senate committee substitute for house committee substitute for  
4 house bill no. 741, ninety-fourth general assembly, first regular session, and  
5 section 99.825 as enacted by conference committee substitute for house committee  
6 substitute for senate bill no. 1, eighty-ninth general assembly, second  
7 extraordinary session, are repealed and fifteen new sections enacted in lieu  
8 thereof, to be known as sections 32.105, 67.1501, 67.1545, 94.900, 94.902, 99.820,  
9 99.825, 135.682, 135.815, 135.967, 137.115, 144.057, 447.708, 620.1878, and  
10 620.1881, to read as follows:

32.105. As used in sections 32.100 to 32.125, the following terms mean:

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

(1) "Affordable housing assistance activities", money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;

(2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be considered the amount of the gross monthly mortgage payment, including casualty insurance, mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be considered the amount of the gross rent. The cost to the occupant shall include the cost of any utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the commission. Persons or families are eligible occupants of affordable housing units if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located, or the median family income for the state of Missouri, whichever is larger; ("geographic area" means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

	Percent of State or		Geographic Area Family		Median Income
Size of Household					
One Person					35%
Two Persons					40%
Three Persons					45%
Four Persons					50%
Five Persons					54%
Six Persons					58%
Seven Persons					62%
Eight Persons					66%

(3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo,

38 including any charitable organization that is exempt from federal income tax and  
39 whose Missouri unrelated business taxable income, if any, would be subject to the  
40 state income tax imposed under such chapter, or a corporation subject to the  
41 annual corporation franchise tax imposed by the provisions of chapter 147, RSMo,  
42 or an insurance company paying an annual tax on its gross premium receipts in  
43 this state, or other financial institution paying taxes to the state of Missouri or  
44 any political subdivision of this state pursuant to the provisions of chapter 148,  
45 RSMo, or an express company which pays an annual tax on its gross receipts in  
46 this state;

47 (4) "Commission", the Missouri housing development commission;

48 (5) "Community services", any type of counseling and advice, emergency  
49 assistance or medical care furnished to individuals or groups in the state of  
50 Missouri or transportation services at below-cost rates as provided in sections  
51 208.250 to 208.275, RSMo;

52 (6) "Crime prevention", any activity which aids in the reduction of crime  
53 in the state of Missouri;

54 (7) "Defense industry contractor", a person, corporation or other entity  
55 which will be or has been negatively impacted as a result of its status as a prime  
56 contractor of the Department of Defense or as a second or third tier contractor.  
57 A "second tier contractor" means a person, corporation or other entity which  
58 contracts to perform manufacturing, maintenance or repair services for a prime  
59 contractor of the Department of Defense, and a "third tier contractor" means a  
60 person, corporation or other entity which contracts with a person, corporation or  
61 other entity which contracts with a prime contractor of the Department of  
62 Defense;

63 (8) "Doing business", among other methods of doing business in the state  
64 of Missouri, a partner in a firm or a shareholder in an S corporation shall be  
65 deemed to be doing business in the state of Missouri if such firm or S corporation,  
66 as the case may be, is doing business in the state of Missouri;

67 (9) "Economic development", the acquisition, renovation, improvement, or  
68 the furnishing or equipping of existing buildings and real estate in distressed or  
69 blighted areas of the state when such acquisition, renovation, improvement, or  
70 the furnishing or equipping of the business development projects will result in the  
71 creation or retention of jobs within the state; or, until June 30, 1996, a defense  
72 conversion pilot project located in a standard metropolitan statistical area which  
73 contains a city with a population of at least three hundred fifty thousand

74 inhabitants, which will assist Missouri-based defense industry contractors in  
75 their conversion from predominately defense-related contracting to  
76 nondefense-oriented manufacturing. Only neighborhood organizations, as defined  
77 in subdivision (13) of this section, may apply to conduct economic development  
78 projects. Prior to the approval of an economic development project, the  
79 neighborhood organization shall enter into a contractual agreement with the  
80 department of economic development. Credits approved for economic development  
81 projects may not exceed ~~[four]~~ **six** million dollars from within any one fiscal  
82 year's allocation[, except that for fiscal years 2005, 2006, and 2007 credits  
83 approved for economic development projects shall not exceed six million  
84 dollars]. Neighborhood assistance program tax credits for economic development  
85 projects and affordable housing assistance as defined in section 32.111 may be  
86 transferred, sold or assigned by a notarized endorsement thereof naming the  
87 transferee;

88 (10) "Education", any type of scholastic instruction or scholarship  
89 assistance to an individual who resides in the state of Missouri that enables the  
90 individual to prepare himself or herself for better opportunities or community  
91 awareness activities rendered by a statewide organization established for the  
92 purpose of archeological education and preservation;

93 (11) "Homeless assistance pilot project", the program established pursuant  
94 to section 32.117;

95 (12) "Job training", any type of instruction to an individual who resides  
96 in the state of Missouri that enables the individual to acquire vocational skills so  
97 that the individual can become employable or be able to seek a higher grade of  
98 employment;

99 (13) "Neighborhood organization", any organization performing community  
100 services or economic development activities in the state of Missouri and:

101 (a) Holding a ruling from the Internal Revenue Service of the United  
102 States Department of the Treasury that the organization is exempt from income  
103 taxation pursuant to the provisions of the Internal Revenue Code; or

104 (b) Incorporated in the state of Missouri as a not-for-profit corporation  
105 pursuant to the provisions of chapter 355, RSMo; or

106 (c) Designated as a community development corporation by the United  
107 States government pursuant to the provisions of Title VII of the Economic  
108 Opportunity Act of 1964;

109 (14) "Physical revitalization", furnishing financial assistance, labor,

110 material, or technical advice to aid in the physical improvement or rehabilitation  
111 of any part or all of a neighborhood area;

112 (15) "S corporation", a corporation described in Section 1361(a)(1) of the  
113 United States Internal Revenue Code and not subject to the taxes imposed by  
114 section 143.071, RSMo, by reason of section 143.471, RSMo;

115 (16) "Workfare renovation project", any project initiated pursuant to  
116 sections 215.340 to 215.355, RSMo.

67.1501. 1. A district may use any one or more of the assessments, taxes,  
2 or other funding methods specifically authorized pursuant to sections 67.1401 to  
3 67.1571 to provide funds to accomplish any power, duty or purpose of the  
4 district[; provided, however, no district which is located in any city not within a  
5 county and which includes any real property that is also included in a special  
6 business district established pursuant to sections 71.790 to 71.808, RSMo, prior  
7 to the establishment of the district pursuant to sections 67.1401 to 67.1571 shall  
8 have the authority to impose any such tax or assessment pursuant to sections  
9 67.1401 to 67.1571 until such time as all taxes or special assessments imposed  
10 pursuant to sections 71.790 to 71.808, RSMo, on any real property or on any  
11 business located in such special business district or on any business or individual  
12 doing business in such special business district have been repealed in accordance  
13 with this subsection. The governing body of a special business district which  
14 includes real property located in a district established pursuant to sections  
15 67.1401 to 67.1571 shall have the power to repeal all taxes and assessments  
16 imposed pursuant to sections 71.790 to 71.808, RSMo, and such power may be  
17 exercised by the adoption of a resolution by the governing body of such special  
18 business district. Upon the adoption of such resolution such special business  
19 district shall no longer have the power to impose any tax or special assessment  
20 pursuant to sections 71.790 to 71.808, RSMo, until such time as the district or  
21 districts established pursuant to sections 67.1401 to 67.1571 which include any  
22 real property that is also included in such special business district have been  
23 terminated or have expired pursuant to sections 67.1401 to 67.1571].

24 2. A district may establish different classes of real property within the  
25 district for purposes of special assessments. The levy rate for special assessments  
26 may vary for each class or subclass based on the level of benefit derived from  
27 services or improvements funded, provided or caused to be provided by the  
28 district.

29 3. Notwithstanding anything in sections 67.1401 to 67.1571 to the

30 contrary, any district which is not a political subdivision shall have no power to  
31 levy any tax but shall have the power to levy special assessments in accordance  
32 with section 67.1521.

67.1545. 1. Any district formed as a political subdivision may impose by  
2 resolution a district sales and use tax on all retail sales made in such district  
3 which are subject to taxation pursuant to sections 144.010 to 144.525, RSMo,  
4 except sales of motor vehicles, trailers, boats or outboard motors and sales to **or**  
5 **by** public utilities **and providers of communications, cable, or video**  
6 **services**. Any sales and use tax imposed pursuant to this section may be  
7 imposed in increments of one-eighth of one percent, up to a maximum of one  
8 percent. Such district sales and use tax may be imposed for any district purpose  
9 designated by the district in its ballot of submission to its qualified voters; except  
10 that, no resolution adopted pursuant to this section shall become effective unless  
11 the board of directors of the district submits to the qualified voters of the district,  
12 by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this  
13 section. If a majority of the votes cast by the qualified voters on the proposed  
14 sales tax are in favor of the sales tax, then the resolution is adopted. If a  
15 majority of the votes cast by the qualified voters are opposed to the sales tax,  
16 then the resolution is void.

17 2. The ballot shall be substantially in the following form:

18 Shall the ..... (insert name of district) Community  
19 Improvement District impose a community improvement districtwide sales and  
20 use tax at the maximum rate of ..... (insert amount) for a period of  
21 ..... (insert number) years from the date on which such tax is first imposed  
22 for the purpose of providing revenue for ..... (insert  
23 general description of the purpose)?

24 ☐ YES ☐ NO

25 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
26 are opposed to the question, place an "X" in the box opposite "NO".

27 3. Within ten days after the qualified voters have approved the imposition  
28 of the sales and use tax, the district shall, in accordance with section 32.087,  
29 RSMo, notify the director of the department of revenue. The sales and use tax  
30 authorized by this section shall become effective on the first day of the second  
31 calendar quarter after the director of the department of revenue receives notice  
32 of the adoption of such tax.

33 4. The director of the department of revenue shall collect any tax adopted

34 pursuant to this section pursuant to section 32.087, RSMo.

35           5. In each district in which a sales and use tax is imposed pursuant to  
36 this section, every retailer shall add such additional tax imposed by the district  
37 to such retailer's sale price, and when so added such tax shall constitute a part  
38 of the purchase price, shall be a debt of the purchaser to the retailer until paid  
39 and shall be recoverable at law in the same manner as the purchase price.

40           6. In order to allow retailers to collect and report the sales and use tax  
41 authorized by this section as well as all other sales and use taxes required by law  
42 in the simplest and most efficient manner possible, a district may establish  
43 appropriate brackets to be used in the district imposing a tax pursuant to this  
44 section in lieu of the brackets provided in section 144.285, RSMo.

45           7. The penalties provided in sections 144.010 to 144.525, RSMo, shall  
46 apply to violations of this section.

47           8. All revenue received by the district from a sales and use tax imposed  
48 pursuant to this section which is designated for a specific purpose shall be  
49 deposited into a special trust fund and expended solely for such purpose. Upon  
50 the expiration of any sales and use tax adopted pursuant to this section, all funds  
51 remaining in the special trust fund shall continue to be used solely for the  
52 specific purpose designated in the resolution adopted by the qualified voters. Any  
53 funds in such special trust fund which are not needed for current expenditures  
54 may be invested by the board of directors pursuant to applicable laws relating to  
55 the investment of other district funds.

56           9. A district may repeal by resolution any sales and use tax imposed  
57 pursuant to this section before the expiration date of such sales and use tax  
58 unless the repeal of such sales and use tax will impair the district's ability to  
59 repay any liabilities the district has incurred, moneys the district has borrowed  
60 or obligation the district has issued to finance any improvements or services  
61 rendered for the district.

62           10. Notwithstanding the provisions of chapter 115, RSMo, an election for  
63 a district sales and use tax under this section shall be conducted in accordance  
64 with the provisions of this section.

94.900. 1. The governing body of any city of the third classification with  
2 more than ten thousand eight hundred but less than ten thousand nine hundred  
3 inhabitants located at least partly within a county of the first classification with  
4 more than one hundred eighty-four thousand but less than one hundred  
5 eighty-eight thousand inhabitants, **or any city of the fourth classification**

6 **with more than eight thousand nine hundred but fewer than nine**  
7 **thousand inhabitants**, is hereby authorized to impose, by ordinance or order,  
8 a sales tax in the amount of up to one-half of one percent on all retail sales made  
9 in such city which are subject to taxation under the provisions of sections 144.010  
10 to 144.525, RSMo, for the purpose of improving the public safety for such city,  
11 including but not limited to expenditures on equipment, city employee salaries  
12 and benefits, and facilities for police, fire and emergency medical providers. The  
13 tax authorized by this section shall be in addition to any and all other sales taxes  
14 allowed by law, except that no ordinance or order imposing a sales tax pursuant  
15 to the provisions of this section shall be effective unless the governing body of the  
16 city submits to the voters of the city, at a county or state general, primary or  
17 special election, a proposal to authorize the governing body of the city to impose  
18 a tax.

19 2. If the proposal submitted involves only authorization to impose the tax  
20 authorized by this section, the ballot of submission shall contain, but need not be  
21 limited to, the following language:

22 Shall the city of ..... (city's name) impose a citywide  
23 sales tax of ..... (insert amount) for the purpose of improving the public safety  
24 of the city?

25 ☐ YES ☐ NO

26 If you are in favor of the question, place an "X" in the box opposite "Yes". If you  
27 are opposed to the question, place an "X" in the box opposite "No".

28 If a majority of the votes cast on the proposal by the qualified voters voting  
29 thereon are in favor of the proposal submitted pursuant to this subsection, then  
30 the ordinance or order and any amendments thereto shall be in effect on the first  
31 day of the second **calendar** quarter [immediately following the election  
32 approving the proposal] **after the director of revenue receives notification**  
33 **of adoption of the local sales tax**. If a proposal receives less than the  
34 required majority, then the governing body of the city shall have no power to  
35 impose the sales tax herein authorized unless and until the governing body of the  
36 city shall again have submitted another proposal to authorize the governing body  
37 of the city to impose the sales tax authorized by this section and such proposal  
38 is approved by the required majority of the qualified voters voting  
39 thereon. However, in no event shall a proposal pursuant to this section be  
40 submitted to the voters sooner than twelve months from the date of the last  
41 proposal pursuant to this section.



42           3. All revenue received by a city from the tax authorized under the  
43 provisions of this section shall be deposited in a special trust fund and shall be  
44 used solely for improving the public safety for such city for so long as the tax  
45 shall remain in effect.

46           4. Once the tax authorized by this section is abolished or is terminated by  
47 any means, all funds remaining in the special trust fund shall be used solely for  
48 improving the public safety for the city. Any funds in such special trust fund  
49 which are not needed for current expenditures may be invested by the governing  
50 body in accordance with applicable laws relating to the investment of other city  
51 funds.

52           5. All sales taxes collected by the director of the department of revenue  
53 under this section on behalf of any city, less one percent for cost of collection  
54 which shall be deposited in the state's general revenue fund after payment of  
55 premiums for surety bonds as provided in section 32.087, RSMo, shall be  
56 deposited in a special trust fund, which is hereby created [in the state treasury],  
57 to be known as the "City Public Safety Sales Tax Trust Fund". The moneys in the  
58 trust fund shall not be deemed to be state funds and shall not be commingled  
59 with any funds of the state. The provisions of section 33.080, RSMo, to the  
60 contrary notwithstanding, money in this fund shall not be transferred and placed  
61 to the credit of the general revenue fund. The director of the department of  
62 revenue shall keep accurate records of the amount of money in the trust and  
63 which was collected in each city imposing a sales tax pursuant to this section, and  
64 the records shall be open to the inspection of officers of the city and the  
65 public. Not later than the tenth day of each month the director of the department  
66 of revenue shall distribute all moneys deposited in the trust fund during the  
67 preceding month to the city which levied the tax; such funds shall be deposited  
68 with the city treasurer of each such city, and all expenditures of funds arising  
69 from the trust fund shall be by an appropriation act to be enacted by the  
70 governing body of each such city. Expenditures may be made from the fund for  
71 any functions authorized in the ordinance or order adopted by the governing body  
72 submitting the tax to the voters.

73           6. The director of the department of revenue may [authorize the state  
74 treasurer to] make refunds from the amounts in the trust fund and credited to  
75 any city for erroneous payments and overpayments made, and may redeem  
76 dishonored checks and drafts deposited to the credit of such cities. If any city  
77 abolishes the tax, the city shall notify the director of the department of revenue

78 of the action at least ninety days prior to the effective date of the repeal and the  
79 director of the department of revenue may order retention in the trust fund, for  
80 a period of one year, of two percent of the amount collected after receipt of such  
81 notice to cover possible refunds or overpayment of the tax and to redeem  
82 dishonored checks and drafts deposited to the credit of such accounts. After one  
83 year has elapsed after the effective date of abolition of the tax in such city, the  
84 director of the department of revenue shall remit the balance in the account to  
85 the city and close the account of that city. The director of the department of  
86 revenue shall notify each city of each instance of any amount refunded or any  
87 check redeemed from receipts due the city.

88 7. Except as modified in this section, all provisions of sections 32.085 and  
89 32.087, RSMo, shall apply to the tax imposed pursuant to this section.

94.902. 1. The governing body of any city of the third classification with  
2 more than twenty-six thousand three hundred but less than twenty-six thousand  
3 seven hundred inhabitants, **or any city of the fourth classification with**  
4 **more than thirty thousand three hundred but fewer than thirty**  
5 **thousand seven hundred inhabitants**, may impose, by order or ordinance, a  
6 sales tax on all retail sales made in the city which are subject to taxation under  
7 chapter 144, RSMo. The tax authorized in this section may be imposed in an  
8 amount of up to one-half of one percent, and shall be imposed solely for the  
9 purpose of improving the public safety for such city, including but not limited to  
10 expenditures on equipment, city employee salaries and benefits, and facilities for  
11 police, fire and emergency medical providers. The tax authorized in this section  
12 shall be in addition to all other sales taxes imposed by law, and shall be stated  
13 separately from all other charges and taxes. The order or ordinance imposing a  
14 sales tax under this section shall not become effective unless the governing body  
15 of the city submits to the voters residing within the city, at a county or state  
16 general, primary, or special election, a proposal to authorize the governing body  
17 of the city to impose a tax under this section.

18 2. The ballot of submission for the tax authorized in this section shall be  
19 in substantially the following form:

20 Shall the city of ..... (city's name) impose a  
21 citywide sales tax at a rate of ..... (insert rate of percent) percent for the  
22 purpose of improving the public safety of the city?

23 ☐ YES ☐ NO

24 If you are in favor of the question, place an "X" in the box opposite "YES". If you  
25 are opposed to the question, place an "X" in the box opposite "NO".

26 If a majority of the votes cast on the proposal by the qualified voters voting  
27 thereon are in favor of the proposal, then the ordinance or order and any  
28 amendments to the order or ordinance shall become effective on the first day of  
29 the second calendar quarter after the director of revenue receives notice of the  
30 adoption of the sales tax. If a majority of the votes cast on the proposal by the  
31 qualified voters voting thereon are opposed to the proposal, then the tax shall not  
32 become effective unless the proposal is resubmitted under this section to the  
33 qualified voters and such proposal is approved by a majority of the qualified  
34 voters voting on the proposal. However, in no event shall a proposal under this  
35 section be submitted to the voters sooner than twelve months from the date of the  
36 last proposal under this section.

37 3. Any sales tax imposed under this section shall be administered,  
38 collected, enforced, and operated as required in section 32.087, RSMo. All sales  
39 taxes collected by the director of the department of revenue under this section on  
40 behalf of any city, less one percent for cost of collection which shall be deposited  
41 in the state's general revenue fund after payment of premiums for surety bonds  
42 as provided in section 32.087, RSMo, shall be deposited in a special trust fund,  
43 which is hereby created in the state treasury, to be known as the "City Public  
44 Safety Sales Tax Trust Fund". The moneys in the trust fund shall not be deemed  
45 to be state funds and shall not be commingled with any funds of the state. The  
46 provisions of section 33.080, RSMo, to the contrary notwithstanding, money in  
47 this fund shall not be transferred and placed to the credit of the general revenue  
48 fund. The director shall keep accurate records of the amount of money in the  
49 trust **fund** and which was collected in each city imposing a sales tax under this  
50 section, and the records shall be open to the inspection of officers of the city and  
51 the public. Not later than the tenth day of each month the director shall  
52 distribute all moneys deposited in the trust fund during the preceding month to  
53 the city which levied the tax. Such funds shall be deposited with the city  
54 treasurer of each such city, and all expenditures of funds arising from the trust  
55 fund shall be by an appropriation act to be enacted by the governing body of each  
56 such city. Expenditures may be made from the fund for any functions authorized  
57 in the ordinance or order adopted by the governing body submitting the tax to the  
58 voters. If the tax is repealed, all funds remaining in the special trust fund shall

59 continue to be used solely for the designated purposes. Any funds in the special  
60 trust fund which are not needed for current expenditures shall be invested in the  
61 same manner as other funds are invested. Any interest and moneys earned on  
62 such investments shall be credited to the fund.

63 4. The director of the department of revenue may authorize the state  
64 treasurer to make refunds from the amounts in the trust fund and credited to any  
65 city for erroneous payments and overpayments made, and may redeem dishonored  
66 checks and drafts deposited to the credit of such cities. If any city abolishes the  
67 tax, the city shall notify the director of the action at least ninety days before the  
68 effective date of the repeal, and the director may order retention in the trust  
69 fund, for a period of one year, of two percent of the amount collected after receipt  
70 of such notice to cover possible refunds or overpayment of the tax and to redeem  
71 dishonored checks and drafts deposited to the credit of such accounts. After one  
72 year has elapsed after the effective date of abolition of the tax in such city, the  
73 director shall remit the balance in the account to the city and close the account  
74 of that city. The director shall notify each city of each instance of any amount  
75 refunded or any check redeemed from receipts due the city.

76 5. The governing body of any city that has adopted the sales tax  
77 authorized in this section may submit the question of repeal of the tax to the  
78 voters on any date available for elections for the city. The ballot of submission  
79 shall be in substantially the following form:

80 Shall ..... (insert the name of the city) repeal the  
81 sales tax imposed at a rate of ..... (insert rate of percent) percent for the  
82 purpose of improving the public safety of the city?

83 ☐ YES ☐ NO

84 If a majority of the votes cast on the proposal are in favor of repeal, that repeal  
85 shall become effective on December thirty-first of the calendar year in which such  
86 repeal was approved. If a majority of the votes cast on the question by the  
87 qualified voters voting thereon are opposed to the repeal, then the sales tax  
88 authorized in this section shall remain effective until the question is resubmitted  
89 under this section to the qualified voters, and the repeal is approved by a  
90 majority of the qualified voters voting on the question.

91 6. Whenever the governing body of any city that has adopted the sales tax  
92 authorized in this section receives a petition, signed by ten percent of the  
93 registered voters of the city voting in the last gubernatorial election, calling for

94 an election to repeal the sales tax imposed under this section, the governing body  
95 shall submit to the voters of the city a proposal to repeal the tax. If a majority  
96 of the votes cast on the question by the qualified voters voting thereon are in  
97 favor of the repeal, that repeal shall become effective on December thirty-first of  
98 the calendar year in which such repeal was approved. If a majority of the votes  
99 cast on the question by the qualified voters voting thereon are opposed to the  
100 repeal, then the tax shall remain effective until the question is resubmitted under  
101 this section to the qualified voters and the repeal is approved by a majority of the  
102 qualified voters voting on the question.

103 7. Except as modified in this section, all provisions of sections 32.085 and  
104 32.087, RSMo, shall apply to the tax imposed under this section.

99.820. 1. A municipality may:

2 (1) By ordinance introduced in the governing body of the municipality  
3 within fourteen to ninety days from the completion of the hearing required in  
4 section 99.825, approve redevelopment plans and redevelopment projects, and  
5 designate redevelopment project areas pursuant to the notice and hearing  
6 requirements of sections 99.800 to 99.865. No redevelopment project shall be  
7 approved unless a redevelopment plan has been approved and a redevelopment  
8 area has been designated prior to or concurrently with the approval of such  
9 redevelopment project and the area selected for the redevelopment project shall  
10 include only those parcels of real property and improvements thereon directly and  
11 substantially benefited by the proposed redevelopment project improvements;

12 (2) Make and enter into all contracts necessary or incidental to the  
13 implementation and furtherance of its redevelopment plan or project;

14 (3) Pursuant to a redevelopment plan, subject to any constitutional  
15 limitations, acquire by purchase, donation, lease or, as part of a redevelopment  
16 project, eminent domain, own, convey, lease, mortgage, or dispose of, land and  
17 other property, real or personal, or rights or interests therein, and grant or  
18 acquire licenses, easements and options with respect thereto, all in the manner  
19 and at such price the municipality or the commission determines is reasonably  
20 necessary to achieve the objectives of the redevelopment plan. No conveyance,  
21 lease, mortgage, disposition of land or other property, acquired by the  
22 municipality, or agreement relating to the development of the property shall be  
23 made except upon the adoption of an ordinance by the governing body of the  
24 municipality. Each municipality or its commission shall establish written

25 procedures relating to bids and proposals for implementation of the  
26 redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other  
27 disposition of land or agreement relating to the development of property shall be  
28 made without making public disclosure of the terms of the disposition and all bids  
29 and proposals made in response to the municipality's request. Such procedures  
30 for obtaining such bids and proposals shall provide reasonable opportunity for  
31 any person to submit alternative proposals or bids;

32 (4) Within a redevelopment area, clear any area by demolition or removal  
33 of existing buildings and structures;

34 (5) Within a redevelopment area, renovate, rehabilitate, or construct any  
35 structure or building;

36 (6) Install, repair, construct, reconstruct, or relocate streets, utilities, and  
37 site improvements essential to the preparation of the redevelopment area for use  
38 in accordance with a redevelopment plan;

39 (7) Within a redevelopment area, fix, charge, and collect fees, rents, and  
40 other charges for the use of any building or property owned or leased by it or any  
41 part thereof, or facility therein;

42 (8) Accept grants, guarantees, and donations of property, labor, or other  
43 things of value from a public or private source for use within a redevelopment  
44 area;

45 (9) Acquire and construct public facilities within a redevelopment area;

46 (10) Incur redevelopment costs and issue obligations;

47 (11) Make payment in lieu of taxes, or a portion thereof, to taxing  
48 districts;

49 (12) Disburse surplus funds from the special allocation fund to taxing  
50 districts as follows:

51 (a) Such surplus payments in lieu of taxes shall be distributed to taxing  
52 districts within the redevelopment area which impose ad valorem taxes on a basis  
53 that is proportional to the current collections of revenue which each taxing  
54 district receives from real property in the redevelopment area;

55 (b) Surplus economic activity taxes shall be distributed to taxing districts  
56 in the redevelopment area which impose economic activity taxes, on a basis that  
57 is proportional to the amount of such economic activity taxes the taxing district  
58 would have received from the redevelopment area had tax increment financing  
59 not been adopted;

60 (c) Surplus revenues, other than payments in lieu of taxes and economic  
61 activity taxes, deposited in the special allocation fund, shall be distributed on a  
62 basis that is proportional to the total receipt of such other revenues in such  
63 account in the year prior to disbursement;

64 (13) If any member of the governing body of the municipality, a member  
65 of a commission established pursuant to subsection 2 **or** 3 of this section, or an  
66 employee or consultant of the municipality, involved in the planning and  
67 preparation of a redevelopment plan, or redevelopment project for a  
68 redevelopment area or proposed redevelopment area, owns or controls an interest,  
69 direct or indirect, in any property included in any redevelopment area, or  
70 proposed redevelopment area, which property is designated to be acquired or  
71 improved pursuant to a redevelopment project, he or she shall disclose the same  
72 in writing to the clerk of the municipality, and shall also so disclose the dates,  
73 terms, and conditions of any disposition of any such interest, which disclosures  
74 shall be acknowledged by the governing body of the municipality and entered  
75 upon the minutes books of the governing body of the municipality. If an  
76 individual holds such an interest, then that individual shall refrain from any  
77 further official involvement in regard to such redevelopment plan, redevelopment  
78 project or redevelopment area, from voting on any matter pertaining to such  
79 redevelopment plan, redevelopment project or redevelopment area, or  
80 communicating with other members concerning any matter pertaining to that  
81 redevelopment plan, redevelopment project or redevelopment area. Furthermore,  
82 no such member or employee shall acquire any interest, direct or indirect, in any  
83 property in a redevelopment area or proposed redevelopment area after either (a)  
84 such individual obtains knowledge of such plan or project, or (b) first public notice  
85 of such plan, project or area pursuant to section 99.830, whichever first occurs;

86 (14) Charge as a redevelopment cost the reasonable costs incurred by its  
87 clerk or other official in administering the redevelopment project. The charge for  
88 the clerk's or other official's costs shall be determined by the municipality based  
89 on a recommendation from the commission, created pursuant to this section.

90 2. Prior to adoption of an ordinance approving the designation of a  
91 redevelopment area or approving a redevelopment plan or redevelopment project,  
92 the municipality shall create a commission of nine persons if the municipality is  
93 a county or a city not within a county and not a first class county with a charter  
94 form of government with a population in excess of nine hundred thousand, and

95 eleven persons if the municipality is not a county and not in a first class county  
96 with a charter form of government having a population of more than nine  
97 hundred thousand, and twelve persons if the municipality is located in or is a  
98 first class county with a charter form of government having a population of more  
99 than nine hundred thousand, to be appointed as follows:

100 (1) In all municipalities two members shall be appointed by the school  
101 boards whose districts are included within the redevelopment plan or  
102 redevelopment area. Such members shall be appointed in any manner agreed  
103 upon by the affected districts;

104 (2) In all municipalities one member shall be appointed, in any manner  
105 agreed upon by the affected districts, to represent all other districts levying ad  
106 valorem taxes within the area selected for a redevelopment project or the  
107 redevelopment area, excluding representatives of the governing body of the  
108 municipality;

109 (3) In all municipalities six members shall be appointed by the chief  
110 elected officer of the municipality, with the consent of the majority of the  
111 governing body of the municipality;

112 (4) In all municipalities which are not counties and not in a first class  
113 county with a charter form of government having a population in excess of nine  
114 hundred thousand, two members shall be appointed by the county of such  
115 municipality in the same manner as members are appointed in subdivision (3) of  
116 this subsection;

117 (5) In a municipality which is a county with a charter form of government  
118 having a population in excess of nine hundred thousand, three members shall be  
119 appointed by the cities in the county which have tax increment financing districts  
120 in a manner in which the cities shall agree;

121 (6) In a municipality which is located in the first class county with a  
122 charter form of government having a population in excess of nine hundred  
123 thousand, three members shall be appointed by the county of such municipality  
124 in the same manner as members are appointed in subdivision (3) of this  
125 subsection;

126 (7) [Effective January 1, 2008, in a municipality which is in a county  
127 under the authority of the East-West Gateway Council of Governments, except  
128 any municipality in any county of the first classification with more than  
129 ninety-three thousand eight hundred but fewer than ninety-three thousand nine



130 hundred inhabitants, the municipality shall create a commission in the same  
131 manner as the commission for any county with a charter form of government and  
132 with more than one million inhabitants, such commission shall have twelve  
133 members with two such members appointed by the school boards whose districts  
134 are included in the county in a manner in which such school boards agree, with  
135 one such member to represent all other districts levying ad valorem taxes in a  
136 manner in which all such districts agree, six such members appointed either by  
137 the county executive or county commissioner, and three such members appointed  
138 by the cities in the county which have tax increment financing districts in a  
139 manner in which the cities shall agree;

140 (8) Effective January 1, 2008, when any city, town, or village under the  
141 authority of the East-West Gateway Council of Governments, except any  
142 municipality in any county of the first classification with more than ninety-three  
143 thousand eight hundred but fewer than ninety-three thousand nine hundred  
144 inhabitants, desires to implement a tax increment financing project, such city,  
145 town, or village shall first obtain the permission of the county tax increment  
146 financing commission created in this subsection within which the city, town, or  
147 village is located. In the event such commission votes in opposition to the  
148 redevelopment project, such redevelopment project shall not be approved unless  
149 at least two-thirds of the governing body of the city, town, or village votes to  
150 approve such project;

151 (9)] At the option of the members appointed by the municipality, the  
152 members who are appointed by the school boards and other taxing districts may  
153 serve on the commission for a term to coincide with the length of time a  
154 redevelopment project, redevelopment plan or designation of a redevelopment  
155 area is considered for approval by the commission, or for a definite term pursuant  
156 to this subdivision. If the members representing school districts and other taxing  
157 districts are appointed for a term coinciding with the length of time a  
158 redevelopment project, plan or area is approved, such term shall terminate upon  
159 final approval of the project, plan or designation of the area by the governing  
160 body of the municipality. Thereafter the commission shall consist of the six  
161 members appointed by the municipality, except that members representing school  
162 boards and other taxing districts shall be appointed as provided in this section  
163 prior to any amendments to any redevelopment plans, redevelopment projects or  
164 designation of a redevelopment area. If any school district or other taxing

jurisdiction fails to appoint members of the commission within thirty days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the municipality, two shall be designated to serve for terms of two years, two shall be designated to serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the municipality shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments. **Members appointed by the county executive or presiding commissioner prior to August 28, 2008, shall continue their service on the commission established in subsection 3 of this section without further appointment unless the county executive or presiding commissioner appoints a new member or members.**

3. [The commission] **Beginning August 28, 2008:**

**(1) In lieu of a commission created under subsection 2 of this section, any city, town, or village in a county with a charter form of government and with more than one million inhabitants, in a county with a charter form of government and with more than two hundred fifty thousand but fewer than three hundred fifty thousand inhabitants, or in a county of the first classification with more than one hundred eighty-five thousand but fewer than two hundred thousand inhabitants shall, prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, create a commission consisting of twelve persons to be appointed as follows:**

**(a) Six members appointed either by the county executive or presiding commissioner; notwithstanding any provision of law to the contrary, no approval by the county's governing body shall be required;**

**(b) Three members appointed by the cities, towns, or villages in the county which have tax increment financing districts in a manner in which the chief elected officials of such cities, towns, or villages agree;**

**(c) Two members appointed by the school boards whose districts**

200 are included in the county in a manner in which the school boards  
201 agree; and

202 (d) One member to represent all other districts levying ad  
203 valorem taxes in the proposed redevelopment area in a manner in  
204 which all such districts agree.

205 No city, town, or village subject to this subsection shall create or  
206 maintain a commission under subsection 2 of this section, except as  
207 necessary to complete a public hearing for which notice under section  
208 99.830 has been provided prior to August 28, 2008, and to vote or make  
209 recommendations relating to redevelopment plans, redevelopment  
210 projects, or designation of redevelopment areas, or amendments thereto  
211 that were the subject of such public hearing;

212 (2) Members appointed to the commission created under this  
213 subsection, except those six members appointed by either the county  
214 executive or presiding commissioner, shall serve on the commission for  
215 a term to coincide with the length of time a redevelopment project,  
216 redevelopment plan, or designation of a redevelopment area is  
217 considered for approval by the commission. The six members  
218 appointed by either the county executive or the presiding commissioner  
219 shall serve on all such commissions until replaced. The city, town, or  
220 village that creates a commission under this subsection shall send  
221 notice thereof by certified mail to the county executive or presiding  
222 commissioner, to the school districts whose boundaries include any  
223 portion of the proposed redevelopment area, and to the other taxing  
224 districts whose boundaries include any portion of the proposed  
225 redevelopment area. The city, town, or village that creates the  
226 commission shall also be solely responsible for notifying all other cities,  
227 towns, and villages in the county that have tax increment financing  
228 districts and shall exercise all administrative functions of the  
229 commission. The school districts receiving notice from the city, town,  
230 or village shall be solely responsible for notifying the other school  
231 districts within the county of the formation of the commission. If the  
232 county, school board, or other taxing district fails to appoint members  
233 to the commission within thirty days after the city, town, or village  
234 sends the written notice, as provided herein, that it has convened such  
235 a commission or within thirty days of the expiration of any such

236 **member's term, the remaining duly appointed members of the**  
237 **commission may exercise the full powers of the commission.**

238 **4. (1) Any commission created under this section,** subject to  
239 approval of the governing body of the municipality, may exercise the powers  
240 enumerated in sections 99.800 to 99.865, except final approval of plans, projects  
241 and designation of redevelopment areas. The commission shall hold public  
242 hearings and provide notice pursuant to sections 99.825 and 99.830. [The]

243 **(2) Any commission created under subsection 2 of this section** shall  
244 vote on all proposed redevelopment plans, redevelopment projects and  
245 designations of redevelopment areas, and amendments thereto, within thirty days  
246 following completion of the hearing on any such plan, project or designation and  
247 shall make recommendations to the governing body within ninety days of the  
248 hearing referred to in section 99.825 concerning the adoption of or amendment to  
249 redevelopment plans and redevelopment projects and the designation of  
250 redevelopment areas. The requirements of subsection 2 of this section and this  
251 subsection shall not apply to redevelopment projects upon which the required  
252 hearings have been duly held prior to August 31, 1991.

253 **(3) Any commission created under subsection 3 of this section**  
254 **shall, within fifteen days of the receipt of a redevelopment plan**  
255 **meeting the minimum requirements of section 99.810, as determined by**  
256 **counsel to the city, town, or village creating the commission and a**  
257 **request by the applicable city, town, or village for a public hearing, fix**  
258 **a time and place for the public hearing referred to in section**  
259 **99.825. The public hearing shall be held no later than seventy-five days**  
260 **from the commission's receipt of such redevelopment plan and request**  
261 **for public hearing. The commission shall vote and make**  
262 **recommendations to the governing body of the city, town, or village**  
263 **requesting the public hearing on all proposed redevelopment plans,**  
264 **redemption projects, and designations of redevelopment areas, and**  
265 **amendments thereto within thirty days following the completion of the**  
266 **public hearing. If the commission fails to vote within thirty days**  
267 **following the completion of the public hearing referred to in section**  
268 **99.825 concerning the proposed redevelopment plan, redevelopment**  
269 **project, or designation of redevelopment area, or amendments thereto,**  
270 **such plan, project, designation, or amendment thereto shall be deemed**

271 **rejected by the commission.**

99.825. 1. Prior to the adoption of an ordinance proposing the designation  
2 of a redevelopment area, or approving a redevelopment plan or redevelopment  
3 project, the commission shall fix a time and place for a public hearing **as**  
4 **required in subsection 4 of section 99.820** and notify each taxing district  
5 located wholly or partially within the boundaries of the proposed redevelopment  
6 area, plan or project. At the public hearing any interested person or affected  
7 taxing district may file with the commission written objections to, or comments  
8 on, and may be heard orally in respect to, any issues embodied in the notice. The  
9 commission shall hear and consider all protests, objections, comments and other  
10 evidence presented at the hearing. The hearing may be continued to another date  
11 without further notice other than a motion to be entered upon the minutes fixing  
12 the time and place of the subsequent hearing; **provided, if the commission is**  
13 **created under subsection 3 of section 99.820, the hearing shall not be**  
14 **continued for more than thirty days beyond the date on which it is**  
15 **originally opened unless such longer period is requested by the chief**  
16 **elected official of the municipality creating the commission and**  
17 **approved by a majority of the commission.** Prior to the conclusion of the  
18 hearing, changes may be made in the redevelopment plan, redevelopment project,  
19 or redevelopment area, provided that each affected taxing district is given written  
20 notice of such changes at least seven days prior to the conclusion of the  
21 hearing. After the public hearing but prior to the adoption of an ordinance  
22 approving a redevelopment plan or redevelopment project, or designating a  
23 redevelopment area, changes may be made to the redevelopment plan,  
24 redevelopment projects or redevelopment areas without a further hearing, if such  
25 changes do not enlarge the exterior boundaries of the redevelopment area or  
26 areas, and do not substantially affect the general land uses established in the  
27 redevelopment plan or substantially change the nature of the redevelopment  
28 projects, provided that notice of such changes shall be given by mail to each  
29 affected taxing district and by publication in a newspaper of general circulation  
30 in the area of the proposed redevelopment not less than ten days prior to the  
31 adoption of the changes by ordinance. After the adoption of an ordinance  
32 approving a redevelopment plan or redevelopment project, or designating a  
33 redevelopment area, no ordinance shall be adopted altering the exterior  
34 boundaries, affecting the general land uses established pursuant to the

35 redevelopment plan or changing the nature of the redevelopment project without  
36 complying with the procedures provided in this section pertaining to the initial  
37 approval of a redevelopment plan or redevelopment project and designation of a  
38 redevelopment area. Hearings with regard to a redevelopment project,  
39 redevelopment area, or redevelopment plan may be held simultaneously.

40 2. Effective January 1, 2008, if, after concluding the hearing required  
41 under this section, the commission makes a recommendation under section 99.820  
42 in opposition to a proposed redevelopment plan, redevelopment project, or  
43 designation of a redevelopment area, or any amendments thereto, a municipality  
44 desiring to approve such project, plan, designation, or amendments shall do so  
45 only upon a two-thirds majority vote of the governing body of such municipality.

46 3. Tax incremental financing projects within an economic development  
47 area shall apply to and fund only the following infrastructure projects: highways,  
48 roads, streets, bridges, sewers, traffic control systems and devices, water  
49 distribution and supply systems, curbing, sidewalks and any other similar public  
50 improvements, but in no case shall it include buildings.

[99.825. 1. Prior to the adoption of an ordinance proposing  
2 the designation of a redevelopment area, or approving a  
3 redevelopment plan or redevelopment project, the commission shall  
4 fix a time and place for a public hearing and notify each taxing  
5 district located wholly or partially within the boundaries of the  
6 proposed redevelopment area, plan or project. At the public  
7 hearing any interested person or affected taxing district may file  
8 with the commission written objections to, or comments on, and  
9 may be heard orally in respect to, any issues embodied in the  
10 notice. The commission shall hear and consider all protests,  
11 objections, comments and other evidence presented at the  
12 hearing. The hearing may be continued to another date without  
13 further notice other than a motion to be entered upon the minutes  
14 fixing the time and place of the subsequent hearing. Prior to the  
15 conclusion of the hearing, changes may be made in the  
16 redevelopment plan, redevelopment project, or redevelopment area,  
17 provided that each affected taxing district is given written notice  
18 of such changes at least seven days prior to the conclusion of the  
19 hearing. After the public hearing but prior to the adoption of an

ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not substantially affect the general land uses established in the redevelopment plan or substantially change the nature of the redevelopment projects, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the area of the proposed redevelopment not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the general land uses established pursuant to the redevelopment plan or changing the nature of the redevelopment project without complying with the procedures provided in this section pertaining to the initial approval of a redevelopment plan or redevelopment project and designation of a redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or redevelopment plan may be held simultaneously.

2. Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings.]

**135.682. 1. The director of the department of economic development or the director's designee shall issue letter rulings regarding the tax credit program authorized under section 135.680, subject to the terms and conditions set forth in this section. The director of the department of economic development may impose additional terms and conditions consistent with this section to requests for letter rulings by regulation promulgated under chapter 536,**

8 RSMo. For the purposes of this section, the term "letter ruling" means  
9 a written interpretation of law to a specific set of facts provided by the  
10 applicant requesting a letter ruling.

11 2. The director or director's designee shall respond to a request  
12 for a letter ruling within sixty days of receipt of such request. The  
13 applicant may provide a draft letter ruling for the department's  
14 consideration. The applicant may withdraw the request for a letter  
15 ruling, in writing, prior to the issuance of the letter ruling. The  
16 director or the director's designee may refuse to issue a letter ruling  
17 for good cause, but must list the specific reasons for refusing to issue  
18 the letter ruling. Good cause includes, but is not limited to:

19 (1) The applicant requests the director to determine whether a  
20 statute is constitutional or a regulation is lawful;

21 (2) The request involves a hypothetical situation or alternative  
22 plans;

23 (3) The facts or issues presented in the request are unclear,  
24 overbroad, insufficient, or otherwise inappropriate as a basis upon  
25 which to issue a letter ruling; and

26 (4) The issue is currently being considered in a rulemaking  
27 procedure, contested case, or other agency or judicial proceeding that  
28 may definitely resolve the issue.

29 3. Letter rulings shall bind the director and the director's agents  
30 and their successors until such time as the taxpayer or its  
31 shareholders, members, or partners, as applicable, claim all of such tax  
32 credits on a Missouri tax return, subject to the terms and conditions set  
33 forth in properly published regulations. The letter ruling shall apply  
34 only to the applicant.

35 4. Letter rulings issued under the authority of this section shall  
36 not be a rule as defined in section 536.010, RSMo, in that it is an  
37 interpretation issued by the department with respect to a specific set  
38 of facts and intended to apply only to that specific set of facts, and  
39 therefore shall not be subject to the rulemaking requirements of  
40 chapter 536, RSMo.

41 5. Information in letter ruling requests as described in section  
42 620.014, RSMo, shall be closed to the public. Copies of letter rulings  
43 shall be available to the public provided that the applicant identifying



44 **information and otherwise protected information is redacted from the**  
45 **letter ruling as provided in subsection 1 of section 610.024, RSMo.**

135.815. 1. Prior to authorization of any tax credit application, an  
2 administering agency shall verify through the department of revenue that the tax  
3 credit applicant does not owe any delinquent income, sales, or use taxes, or  
4 interest or penalties on such taxes, and through the department of insurance that  
5 the applicant does not owe any delinquent insurance taxes. Such delinquency  
6 shall not affect the authorization of the application for such tax credits, except  
7 that the amount of credits issued shall be reduced by the applicant's tax  
8 delinquency. If the department of revenue or the department of insurance  
9 concludes that a taxpayer is delinquent after June fifteenth but before July first  
10 of any year, and the application of tax credits to such delinquency causes a tax  
11 deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted  
12 thirty days to satisfy the deficiency in which interest, penalties, and additions to  
13 tax shall be tolled. After applying all available credits towards a tax delinquency,  
14 the administering agency shall notify the appropriate department, and that  
15 department shall update the amount of outstanding delinquent tax owed by the  
16 applicant. If any credits remain after satisfying all insurance, income, sales, and  
17 use tax delinquencies, the remaining credits shall be issued to the applicant,  
18 subject to the restrictions of other provisions of law.

19 **2. Any applicant of a tax credit program contained in the**  
20 **definition of the term "all tax credit programs" who purposely and**  
21 **directly employs unauthorized aliens shall forfeit any tax credits issued**  
22 **to such applicant which have not been redeemed, and shall repay the**  
23 **amount of any tax credits redeemed by such applicant during the**  
24 **period of time such unauthorized alien was employed by the applicant.**  
25 **As used in this subsection, the term "unauthorized alien" shall mean an**  
26 **alien who does not have the legal right or authorization under federal**  
27 **law to work in the United States, as defined under Section 8 U.S.C.**  
28 **1324a(h)(3).**

135.967. 1. A taxpayer who establishes a new business facility may, upon  
2 approval by the department, be allowed a credit, each tax year for up to ten tax  
3 years, in an amount determined as set forth in this section, against the tax  
4 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections  
5 143.191 to 143.265, RSMo. No taxpayer shall receive multiple ten-year periods

6 for subsequent expansions at the same facility.

7           2. Notwithstanding any provision of law to the contrary, any taxpayer who  
8 establishes a new business facility in an enhanced enterprise zone and is awarded  
9 state tax credits under this section may not also receive tax credits under sections  
10 135.100 to 135.150, sections 135.200 to [135.268] **135.286**, or section 135.535,  
11 **and may not simultaneously receive tax credits under sections 620.1875**  
12 **to 620.1890, RSMo, at the same facility.**

13           3. No credit shall be issued pursuant to this section unless:

14           (1) The number of new business facility employees engaged or maintained  
15 in employment at the new business facility for the taxable year for which the  
16 credit is claimed equals or exceeds two; and

17           (2) The new business facility investment for the taxable year for which the  
18 credit is claimed equals or exceeds one hundred thousand dollars.

19           4. The annual amount of credits allowed for an approved enhanced  
20 business enterprise shall be the lesser of:

21           (1) The annual amount authorized by the department for the enhanced  
22 business enterprise, which shall be limited to the projected state economic  
23 benefit, as determined by the department; or

24           (2) The sum calculated based upon the following:

25           (a) A credit of four hundred dollars for each new business facility  
26 employee employed within an enhanced enterprise zone;

27           (b) An additional credit of four hundred dollars for each new business  
28 facility employee who is a resident of an enhanced enterprise zone;

29           (c) An additional credit of four hundred dollars for each new business  
30 facility employee who is paid by the enhanced business enterprise a wage that  
31 exceeds the average wage paid within the county in which the facility is located,  
32 as determined by the department; and

33           (d) A credit equal to two percent of new business facility investment  
34 within an enhanced enterprise zone.

35           5. Prior to January 1, 2007, in no event shall the department authorize  
36 more than four million dollars annually to be issued for all enhanced business  
37 enterprises. After December 31, 2006, in no event shall the department authorize  
38 more than [fourteen] **twenty-four** million dollars annually to be issued for all  
39 enhanced business enterprises.

40           6. If a facility, which does not constitute a new business facility, is

41 expanded by the taxpayer, the expansion shall be considered eligible for the credit  
42 allowed by this section if:

43 (1) The taxpayer's new business facility investment in the expansion  
44 during the tax period in which the credits allowed in this section are claimed  
45 exceeds one hundred thousand dollars and if the number of new business facility  
46 employees engaged or maintained in employment at the expansion facility for the  
47 taxable year for which credit is claimed equals or exceeds two, and the total  
48 number of employees at the facility after the expansion is at least two greater  
49 than the total number of employees before the expansion; and

50 (2) The taxpayer's investment in the expansion and in the original facility  
51 prior to expansion shall be determined in the manner provided in subdivision (14)  
52 of section 135.950.

53 7. The number of new business facility employees during any taxable year  
54 shall be determined by dividing by twelve the sum of the number of individuals  
55 employed on the last business day of each month of such taxable year. If the new  
56 business facility is in operation for less than the entire taxable year, the number  
57 of new business facility employees shall be determined by dividing the sum of the  
58 number of individuals employed on the last business day of each full calendar  
59 month during the portion of such taxable year during which the new business  
60 facility was in operation by the number of full calendar months during such  
61 period. For the purpose of computing the credit allowed by this section in the  
62 case of a facility which qualifies as a new business facility under subsection 6 of  
63 this section, and in the case of a new business facility which satisfies the  
64 requirements of paragraph (c) of subdivision (14) of section 135.950, or  
65 subdivision (22) of section 135.950, the number of new business facility employees  
66 at such facility shall be reduced by the average number of individuals employed,  
67 computed as provided in this subsection, at the facility during the taxable year  
68 immediately preceding the taxable year in which such expansion, acquisition, or  
69 replacement occurred and shall further be reduced by the number of individuals  
70 employed by the taxpayer or related taxpayer that was subsequently transferred  
71 to the new business facility from another Missouri facility and for which credits  
72 authorized in this section are not being earned, whether such credits are earned  
73 because of an expansion, acquisition, relocation, or the establishment of a new  
74 facility.

75 8. In the case where a new business facility employee who is a resident

76 of an enhanced enterprise zone for less than a twelve-month period is employed  
77 for less than a twelve-month period, the credits allowed by paragraph (b) of  
78 subdivision (2) of subsection 4 of this section shall be determined by multiplying  
79 four hundred dollars by a fraction, the numerator of which is the number of  
80 calendar days during the taxpayer's tax year for which such credits are claimed,  
81 in which the employee was a resident of an enhanced enterprise zone, and the  
82 denominator of which is three hundred sixty-five.

83         9. For the purpose of computing the credit allowed by this section in the  
84 case of a facility which qualifies as a new business facility pursuant to subsection  
85 6 of this section, and in the case of a new business facility which satisfies the  
86 requirements of paragraph (c) of subdivision (14) of section 135.950 or subdivision  
87 (22) of section 135.950, the amount of the taxpayer's new business facility  
88 investment in such facility shall be reduced by the average amount, computed as  
89 provided in subdivision (14) of section 135.950 for new business facility  
90 investment, of the investment of the taxpayer, or related taxpayer immediately  
91 preceding such expansion or replacement or at the time of  
92 acquisition. Furthermore, the amount of the taxpayer's new business facility  
93 investment shall also be reduced by the amount of investment employed by the  
94 taxpayer or related taxpayer which was subsequently transferred to the new  
95 business facility from another Missouri facility and for which credits authorized  
96 in this section are not being earned, whether such credits are earned because of  
97 an expansion, acquisition, relocation, or the establishment of a new facility.

98         10. For a taxpayer with flow-through tax treatment to its members,  
99 partners, or shareholders, the credit shall be allowed to members, partners, or  
100 shareholders in proportion to their share of ownership on the last day of the  
101 taxpayer's tax period.

102         11. Credits may not be carried forward but shall be claimed for the  
103 taxable year during which commencement of commercial operations occurs at  
104 such new business facility, and for each of the nine succeeding taxable years for  
105 which the credit is issued.

106         12. Certificates of tax credit authorized by this section may be  
107 transferred, sold, or assigned by filing a notarized endorsement thereof with the  
108 department that names the transferee, the amount of tax credit transferred, and  
109 the value received for the credit, as well as any other information reasonably  
110 requested by the department. The sale price cannot be less than seventy-five

111 percent of the par value of such credits.

112           13. The director of revenue shall issue a refund to the taxpayer to the  
113 extent that the amount of credits allowed in this section exceeds the amount of  
114 the taxpayer's income tax.

115           14. Prior to the issuance of tax credits, the department shall verify  
116 through the department of revenue, or any other state department, that the tax  
117 credit applicant does not owe any delinquent income, sales, or use tax or interest  
118 or penalties on such taxes, or any delinquent fees or assessments levied by any  
119 state department and through the department of insurance that the applicant  
120 does not owe any delinquent insurance taxes. Such delinquency shall not affect  
121 the authorization of the application for such tax credits, except that the amount  
122 of credits issued shall be reduced by the applicant's tax delinquency. If the  
123 department of revenue or the department of insurance, or any other state  
124 department, concludes that a taxpayer is delinquent after June fifteenth but  
125 before July first of any year and the application of tax credits to such delinquency  
126 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall  
127 be granted thirty days to satisfy the deficiency in which interest, penalties, and  
128 additions to tax shall be tolled. After applying all available credits toward a tax  
129 delinquency, the administering agency shall notify the appropriate department,  
130 and that department shall update the amount of outstanding delinquent tax owed  
131 by the applicant. If any credits remain after satisfying all insurance, income,  
132 sales, and use tax delinquencies, the remaining credits shall be issued to the  
133 applicant, subject to the restrictions of other provisions of law.

          137.115. 1. All other laws to the contrary notwithstanding, the assessor  
2 or the assessor's deputies in all counties of this state including the city of St.  
3 Louis shall annually make a list of all real and tangible personal property taxable  
4 in the assessor's city, county, town or district. Except as otherwise provided in  
5 subsection 3 of this section and section 137.078, the assessor shall annually  
6 assess all personal property at thirty-three and one-third percent of its true value  
7 in money as of January first of each calendar year. The assessor shall annually  
8 assess all real property, including any new construction and improvements to real  
9 property, and possessory interests in real property at the percent of its true value  
10 in money set in subsection 5 of this section. **The true value in money of any**  
11 **possessory interest in real property in subclass (3), where such real**  
12 **property is on or lies within the ultimate airport boundary as shown by**

13 a federal airport layout plan, as defined by 14 CFR 151.5 of a  
14 commercial airport having a FAR Part 139 certification and owned by  
15 a political subdivision, shall be the otherwise applicable true value in  
16 money of any such possessory interest in real property, less the total  
17 dollar amount of costs paid by a party, other than the political  
18 subdivision, towards any new construction or improvements on such  
19 real property completed after January 1, 2008, and which are included  
20 in the above-mentioned possessory interest, regardless of the year in  
21 which such costs were incurred or whether such costs were considered  
22 in any prior year. The assessor shall annually assess all real property in the  
23 following manner: new assessed values shall be determined as of January first  
24 of each odd-numbered year and shall be entered in the assessor's books; those  
25 same assessed values shall apply in the following even-numbered year, except for  
26 new construction and property improvements which shall be valued as though  
27 they had been completed as of January first of the preceding odd-numbered  
28 year. The assessor may call at the office, place of doing business, or residence of  
29 each person required by this chapter to list property, and require the person to  
30 make a correct statement of all taxable tangible personal property owned by the  
31 person or under his or her care, charge or management, taxable in the county. On  
32 or before January first of each even-numbered year, the assessor shall prepare  
33 and submit a two-year assessment maintenance plan to the county governing  
34 body and the state tax commission for their respective approval or  
35 modification. The county governing body shall approve and forward such plan or  
36 its alternative to the plan to the state tax commission by February first. If the  
37 county governing body fails to forward the plan or its alternative to the plan to  
38 the state tax commission by February first, the assessor's plan shall be considered  
39 approved by the county governing body. If the state tax commission fails to  
40 approve a plan and if the state tax commission and the assessor and the  
41 governing body of the county involved are unable to resolve the differences, in  
42 order to receive state cost-share funds outlined in section 137.750, the county or  
43 the assessor shall petition the administrative hearing commission, by May first,  
44 to decide all matters in dispute regarding the assessment maintenance  
45 plan. Upon agreement of the parties, the matter may be stayed while the parties  
46 proceed with mediation or arbitration upon terms agreed to by the parties. The  
47 final decision of the administrative hearing commission shall be subject to judicial

48 review in the circuit court of the county involved. In the event a valuation of  
49 subclass (1) real property within any county with a charter form of government,  
50 or within a city not within a county, is made by a computer, computer-assisted  
51 method or a computer program, the burden of proof, supported by clear,  
52 convincing and cogent evidence to sustain such valuation, shall be on the assessor  
53 at any hearing or appeal. In any such county, unless the assessor proves  
54 otherwise, there shall be a presumption that the assessment was made by a  
55 computer, computer-assisted method or a computer program. Such evidence shall  
56 include, but shall not be limited to, the following:

57 (1) The findings of the assessor based on an appraisal of the property by  
58 generally accepted appraisal techniques; and

59 (2) The purchase prices from sales of at least three comparable properties  
60 and the address or location thereof. As used in this [paragraph] **subdivision**,  
61 the word "comparable" means that:

62 (a) Such sale was closed at a date relevant to the property valuation; and

63 (b) Such properties are not more than one mile from the site of the  
64 disputed property, except where no similar properties exist within one mile of the  
65 disputed property, the nearest comparable property shall be used. Such property  
66 shall be within five hundred square feet in size of the disputed property, and  
67 resemble the disputed property in age, floor plan, number of rooms, and other  
68 relevant characteristics.

69 2. Assessors in each county of this state and the city of St. Louis may send  
70 personal property assessment forms through the mail.

71 3. The following items of personal property shall each constitute separate  
72 subclasses of tangible personal property and shall be assessed and valued for the  
73 purposes of taxation at the following percentages of their true value in money:

74 (1) Grain and other agricultural crops in an unmanufactured condition,  
75 one-half of one percent;

76 (2) Livestock, twelve percent;

77 (3) Farm machinery, twelve percent;

78 (4) Motor vehicles which are eligible for registration as and are registered  
79 as historic motor vehicles pursuant to section 301.131, RSMo, and aircraft which  
80 are at least twenty-five years old and which are used solely for noncommercial  
81 purposes and are operated less than fifty hours per year or aircraft that are home  
82 built from a kit, five percent;

83 (5) Poultry, twelve percent; and

84 (6) Tools and equipment used for pollution control and tools and  
85 equipment used in retooling for the purpose of introducing new product lines or  
86 used for making improvements to existing products by any company which is  
87 located in a state enterprise zone and which is identified by any standard  
88 industrial classification number cited in subdivision (6) of section 135.200, RSMo,  
89 twenty-five percent.

90 4. The person listing the property shall enter a true and correct statement  
91 of the property, in a printed blank prepared for that purpose. The statement,  
92 after being filled out, shall be signed and either affirmed or sworn to as provided  
93 in section 137.155. The list shall then be delivered to the assessor.

94 5. All subclasses of real property, as such subclasses are established in  
95 section 4(b) of article X of the Missouri Constitution and defined in section  
96 137.016, shall be assessed at the following percentages of true value:

97 (1) For real property in subclass (1), nineteen percent;

98 (2) For real property in subclass (2), twelve percent; and

99 (3) For real property in subclass (3), thirty-two percent.

100 6. Manufactured homes, as defined in section 700.010, RSMo, which are  
101 actually used as dwelling units shall be assessed at the same percentage of true  
102 value as residential real property for the purpose of taxation. The percentage of  
103 assessment of true value for such manufactured homes shall be the same as for  
104 residential real property. If the county collector cannot identify or find the  
105 manufactured home when attempting to attach the manufactured home for  
106 payment of taxes owed by the manufactured home owner, the county collector  
107 may request the county commission to have the manufactured home removed from  
108 the tax books, and such request shall be granted within thirty days after the  
109 request is made; however, the removal from the tax books does not remove the tax  
110 lien on the manufactured home if it is later identified or found. A manufactured  
111 home located in a manufactured home rental park, rental community or on real  
112 estate not owned by the manufactured home owner shall be considered personal  
113 property. A manufactured home located on real estate owned by the  
114 manufactured home owner may be considered real property.

115 7. Each manufactured home assessed shall be considered a parcel for the  
116 purpose of reimbursement pursuant to section 137.750, unless the manufactured  
117 home has been converted to real property in compliance with section 700.111,



118 RSMo, and assessed as a realty improvement to the existing real estate parcel.  
119       8. Any amount of tax due and owing based on the assessment of a  
120 manufactured home shall be included on the personal property tax statement of  
121 the manufactured home owner unless the manufactured home has been converted  
122 to real property in compliance with section 700.111, RSMo, in which case the  
123 amount of tax due and owing on the assessment of the manufactured home as a  
124 realty improvement to the existing real estate parcel shall be included on the real  
125 property tax statement of the real estate owner.

126       9. The assessor of each county and each city not within a county shall use  
127 the trade-in value published in the October issue of the National Automobile  
128 Dealers' Association Official Used Car Guide, or its successor publication, as the  
129 recommended guide of information for determining the true value of motor  
130 vehicles described in such publication. In the absence of a listing for a particular  
131 motor vehicle in such publication, the assessor shall use such information or  
132 publications which in the assessor's judgment will fairly estimate the true value  
133 in money of the motor vehicle.

134       10. Before the assessor may increase the assessed valuation of any parcel  
135 of subclass (1) real property by more than fifteen percent since the last  
136 assessment, excluding increases due to new construction or improvements, the  
137 assessor shall conduct a physical inspection of such property.

138       11. If a physical inspection is required, pursuant to subsection 10 of this  
139 section, the assessor shall notify the property owner of that fact in writing and  
140 shall provide the owner clear written notice of the owner's rights relating to the  
141 physical inspection. If a physical inspection is required, the property owner may  
142 request that an interior inspection be performed during the physical  
143 inspection. The owner shall have no less than thirty days to notify the assessor  
144 of a request for an interior physical inspection.

145       12. A physical inspection, as required by subsection 10 of this section,  
146 shall include, but not be limited to, an on-site personal observation and review  
147 of all exterior portions of the land and any buildings and improvements to which  
148 the inspector has or may reasonably and lawfully gain external access, and shall  
149 include an observation and review of the interior of any buildings or  
150 improvements on the property upon the timely request of the owner pursuant to  
151 subsection 11 of this section. Mere observation of the property via a "drive-by  
152 inspection" or the like shall not be considered sufficient to constitute a physical

153 inspection as required by this section.

154           13. The provisions of subsections 11 and 12 of this section shall only apply  
155 in any county with a charter form of government with more than one million  
156 inhabitants.

157           14. A county or city collector may accept credit cards as proper form of  
158 payment of outstanding property tax or license due. No county or city collector  
159 may charge surcharge for payment by credit card which exceeds the fee or  
160 surcharge charged by the credit card bank, processor, or issuer for its service. A  
161 county or city collector may accept payment by electronic transfers of funds in  
162 payment of any tax or license and charge the person making such payment a fee  
163 equal to the fee charged the county by the bank, processor, or issuer of such  
164 electronic payment.

165           15. Any county or city not within a county in this state may, by an  
166 affirmative vote of the governing body of such county, opt out of the provisions of  
167 this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by  
168 house bill no. 1150 of the ninety-first general assembly, second regular session  
169 and section 137.073 as modified by [this act] **house committee substitute for**  
170 **senate substitute for senate committee substitute for senate bill no. 960,**  
171 **ninety-second general assembly, second regular session,** for the next year  
172 of the general reassessment, prior to January first of any year. No county or city  
173 not within a county shall exercise this opt-out provision after implementing the  
174 provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as  
175 enacted by house bill no. 1150 of the ninety-first general assembly, second regular  
176 session and section 137.073 as modified by [this act] **house committee**  
177 **substitute for senate substitute for senate committee substitute for**  
178 **senate bill no. 960, ninety-second general assembly, second regular**  
179 **session,** in a year of general reassessment. For the purposes of applying the  
180 provisions of this subsection, a political subdivision contained within two or more  
181 counties where at least one of such counties has opted out and at least one of  
182 such counties has not opted out shall calculate a single tax rate as in effect prior  
183 to the enactment of house bill no. 1150 of the ninety-first general assembly,  
184 second regular session. A governing body of a city not within a county or a  
185 county that has opted out under the provisions of this subsection may choose to  
186 implement the provisions of this section and sections 137.073, 138.060, and  
187 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general

188 assembly, second regular session, and section 137.073 as modified by [this act]  
189 **house committee substitute for senate substitute for senate committee**  
190 **substitute for senate bill no. 960, ninety-second general assembly,**  
191 **second regular session**, for the next year of general reassessment, by an  
192 affirmative vote of the governing body prior to December thirty-first of any year.

193 16. The governing body of any city of the third classification with more  
194 than twenty-six thousand three hundred but fewer than twenty-six thousand  
195 seven hundred inhabitants located in any county that has exercised its authority  
196 to opt out under subsection 15 of this section may levy separate and differing tax  
197 rates for real and personal property only if such city bills and collects its own  
198 property taxes or satisfies the entire cost of the billing and collection of such  
199 separate and differing tax rates. Such separate and differing rates shall not  
200 exceed such city's tax rate ceiling.

144.057. In addition to the exemptions granted under this  
2 chapter, there shall also be specifically exempted from state and local  
3 sales and use taxes defined, levied, or calculated under section 32.085,  
4 RSMo, sections 144.010 to 144.525, sections 144.600 to 144.761, or section  
5 238.235, RSMo, all tangible personal property included on the United  
6 States munitions list, as provided in 22 CFR 121.1, sold to or purchased  
7 by any foreign government or agency or instrumentality of such foreign  
8 government which is used for a governmental purpose.

447.708. 1. For eligible projects, the director of the department of  
2 economic development, with notice to the directors of the departments of natural  
3 resources and revenue, and subject to the other provisions of sections 447.700 to  
4 447.718, may not create a new enterprise zone but may decide that a prospective  
5 operator of a facility being remedied and renovated pursuant to sections 447.700  
6 to 447.718 may receive the tax credits and exemptions pursuant to sections  
7 135.100 to 135.150, RSMo, and sections 135.200 to 135.257, RSMo. The tax  
8 credits allowed pursuant to this subsection shall be used to offset the tax imposed  
9 by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to  
10 143.265, RSMo, or the tax otherwise imposed by chapter 147, RSMo, or the tax  
11 otherwise imposed by chapter 148, RSMo. For purposes of this subsection:

12 (1) For receipt of the ad valorem tax abatement pursuant to section  
13 135.215, RSMo, the eligible project must create at least ten new jobs or retain  
14 businesses which supply at least twenty-five existing jobs. The city, or county if

15 the eligible project is not located in a city, must provide ad valorem tax  
16 abatement of at least fifty percent for a period not less than ten years and not  
17 more than twenty-five years;

18 (2) For receipt of the income tax exemption pursuant to section 135.220,  
19 RSMo, and tax credit for new or expanded business facilities pursuant to sections  
20 135.100 to 135.150, and 135.225, RSMo, the eligible project must create at least  
21 ten new jobs or retain businesses which supply at least twenty-five existing jobs,  
22 or combination thereof. For purposes of sections 447.700 to 447.718, the tax  
23 credits described in section 135.225, RSMo, are modified as follows: the tax credit  
24 shall be four hundred dollars per employee per year, an additional four hundred  
25 dollars per year for each employee exceeding the minimum employment  
26 thresholds of ten and twenty-five jobs for new and existing businesses,  
27 respectively, an additional four hundred dollars per year for each person who is  
28 "a person difficult to employ" as defined by section 135.240, RSMo, and  
29 investment tax credits at the same amounts and levels as provided in subdivision  
30 (4) of subsection 1 of section 135.225, RSMo;

31 (3) For eligibility to receive the income tax refund pursuant to section  
32 135.245, RSMo, the eligible project must create at least ten new jobs or retain  
33 businesses which supply at least twenty-five existing jobs, or combination thereof,  
34 and otherwise comply with the provisions of section 135.245, RSMo, for  
35 application and use of the refund and the eligibility requirements of this section;

36 (4) The eligible project operates in compliance with applicable  
37 environmental laws and regulations, including permitting and registration  
38 requirements, of this state as well as the federal and local requirements;

39 (5) The eligible project operator shall file such reports as may be required  
40 by the director of economic development or the director's designee;

41 (6) The taxpayer may claim the state tax credits authorized by this  
42 subsection and the state income exemption for a period not in excess of ten  
43 consecutive tax years. For the purpose of this section, "taxpayer" means an  
44 individual proprietorship, partnership or corporation described in section 143.441  
45 or 143.471, RSMo, who operates an eligible project. The director shall determine  
46 the number of years the taxpayer may claim the state tax credits and the state  
47 income exemption based on the projected net state economic benefits attributed  
48 to the eligible project;

49 (7) For the purpose of meeting the new job requirement prescribed in

50 subdivisions (1), (2) and (3) of this subsection, it shall be required that at least  
51 ten new jobs be created and maintained during the taxpayer's tax period for  
52 which the credits are earned, in the case of an eligible project that does not  
53 replace a similar facility in Missouri. "New job" means a person who was not  
54 previously employed by the taxpayer or related taxpayer within the twelve-month  
55 period immediately preceding the time the person was employed by that taxpayer  
56 to work at, or in connection with, the eligible project on a full-time  
57 basis. "Full-time basis" means the employee works an average of at least  
58 thirty-five hours per week during the taxpayer's tax period for which the tax  
59 credits are earned. For the purposes of this section, "related taxpayer" has the  
60 same meaning as defined in subdivision (9) of section 135.100, RSMo;

61 (8) For the purpose of meeting the existing job retention requirement, if  
62 the eligible project replaces a similar facility that closed elsewhere in Missouri  
63 prior to the end of the taxpayer's tax period in which the tax credits are earned,  
64 it shall be required that at least twenty-five existing jobs be retained at, and in  
65 connection with the eligible project, on a full-time basis during the taxpayer's tax  
66 period for which the credits are earned. "Retained job" means a person who was  
67 previously employed by the taxpayer or related taxpayer, at a facility similar to  
68 the eligible project that closed elsewhere in Missouri prior to the end of the  
69 taxpayer's tax period in which the tax credits are earned, within the tax period  
70 immediately preceding the time the person was employed by the taxpayer to work  
71 at, or in connection with, the eligible project on a full-time basis. "Full-time  
72 basis" means the employee works an average of at least thirty-five hours per week  
73 during the taxpayer's tax period for which the tax credits are earned;

74 (9) In the case where an eligible project replaces a similar facility that  
75 closed elsewhere in Missouri prior to the end of the taxpayer's tax period in which  
76 the tax credits are earned, the owner and operator of the eligible project shall  
77 provide the director with a written statement explaining the reason for  
78 discontinuing operations at the closed facility. The statement shall include a  
79 comparison of the activities performed at the closed facility prior to the date the  
80 facility ceased operating, to the activities performed at the eligible project, and  
81 a detailed account describing the need and rationale for relocating to the eligible  
82 project. If the director finds the relocation to the eligible project significantly  
83 impaired the economic stability of the area in which the closed facility was  
84 located, and that such move was detrimental to the overall economic development

85 efforts of the state, the director may deny the taxpayer's request to claim tax  
86 benefits;

87       (10) Notwithstanding any provision of law to the contrary, for the purpose  
88 of this section, the number of new jobs created and maintained, the number of  
89 existing jobs retained, and the value of new qualified investment used at the  
90 eligible project during any tax year shall be determined by dividing by twelve, in  
91 the case of jobs, the sum of the number of individuals employed at the eligible  
92 project, or in the case of new qualified investment, the value of new qualified  
93 investment used at the eligible project, on the last business day of each full  
94 calendar month of the tax year. If the eligible project is in operation for less than  
95 the entire tax year, the number of new jobs created and maintained, the number  
96 of existing jobs retained, and the value of new qualified investment created at the  
97 eligible project during any tax year shall be determined by dividing the sum of  
98 the number of individuals employed at the eligible project, or in the case of new  
99 qualified investment, the value of new qualified investment used at the eligible  
100 project, on the last business day of each full calendar month during the portion  
101 of the tax year during which the eligible project was in operation, by the number  
102 of full calendar months during such period;

103       (11) For the purpose of this section, "new qualified investment" means  
104 new business facility investment as defined and as determined in subdivision (7)  
105 of section 135.100, RSMo, which is used at and in connection with the eligible  
106 project. "New qualified investment" shall not include small tools, supplies and  
107 inventory. "Small tools" means tools that are portable and can be hand held.

108       2. The determination of the director of economic development pursuant  
109 to subsection 1 of this section, shall not affect requirements for the prospective  
110 purchaser to obtain the approval of the granting of real property tax abatement  
111 by the municipal or county government where the eligible project is located.

112       3. (1) The director of the department of economic development, with the  
113 approval of the director of the department of natural resources, may, in addition  
114 to the tax credits allowed in subsection 1 of this section, grant a remediation tax  
115 credit to the applicant for up to one hundred percent of the costs of materials,  
116 supplies, equipment, labor, professional engineering, consulting and architectural  
117 fees, permitting fees and expenses, demolition, asbestos abatement, and direct  
118 utility charges for performing the voluntary remediation activities for the  
119 preexisting hazardous substance contamination and releases, including, but not

120 limited to, the costs of performing operation and maintenance of the remediation  
121 equipment at the property beyond the year in which the systems and equipment  
122 are built and installed at the eligible project and the costs of performing the  
123 voluntary remediation activities over a period not in excess of four tax years  
124 following the taxpayer's tax year in which the system and equipment were first  
125 put into use at the eligible project, provided the remediation activities are the  
126 subject of a plan submitted to, and approved by, the director of natural resources  
127 pursuant to sections 260.565 to 260.575, RSMo. **The tax credit may also**  
128 **include up to one hundred percent of the costs of demolition that are**  
129 **not directly part of the remediation activities, provided that the**  
130 **demolition is on the property where the voluntary remediation**  
131 **activities are occurring, the demolition is necessary to accomplish the**  
132 **planned use of the facility where the remediation activities are**  
133 **occurring, and the demolition is part of a redevelopment plan approved**  
134 **by the municipal or county government and the department of**  
135 **economic development. The demolition may occur on an adjacent**  
136 **property if the project is located in a municipality which has a**  
137 **population less than twenty thousand and the above conditions are**  
138 **otherwise met. The adjacent property shall independently qualify as**  
139 **abandoned or underutilized. The amount of the credit available for**  
140 **demolition not associated with remediation can not exceed the total**  
141 **amount of credits approved for remediation including demolition**  
142 **required for remediation.**

143 (2) [The director of the department of economic development, with the  
144 approval of the director of the department of natural resources, may, in addition  
145 to the tax credits otherwise allowed in this section, grant a demolition tax credit  
146 to the applicant for up to one hundred percent of the costs of demolition that are  
147 not part of the voluntary remediation activities, provided that the demolition is  
148 either on the property where the voluntary remediation activities are occurring  
149 or on any adjacent property, and that the demolition is part of a redevelopment  
150 plan approved by the municipal or county government and the department of  
151 economic development.

152 (3) The amount of remediation [and demolition] tax credits issued shall  
153 be limited to the least amount necessary to cause the project to occur, as  
154 determined by the director of the department of economic development.

155           **[(4)] (3)** The director may, with the approval of the director of natural  
156 resources, extend the tax credits allowed for performing voluntary remediation  
157 maintenance activities, in increments of three-year periods, not to exceed five  
158 consecutive three-year periods. The tax credits allowed in this subsection shall  
159 be used to offset the tax imposed by chapter 143, RSMo, excluding withholding  
160 tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise imposed  
161 by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. The  
162 remediation **[and demolition]** tax credit may be taken in the same tax year in  
163 which the tax credits are received or may be taken over a period not to exceed  
164 twenty years.

165           **[(5)] (4)** The project facility shall be projected to create at least ten new  
166 jobs or at least twenty-five retained jobs, or a combination thereof, as determined  
167 by the department of economic development, to be eligible for tax credits pursuant  
168 to this section.

169           **[(6)] (5)** No more than seventy-five percent of earned remediation tax  
170 credits may be issued when the remediation costs were paid, and the remaining  
171 percentage may be issued when the department of natural resources issues a  
172 "Letter of Completion" letter or covenant not to sue following completion of the  
173 voluntary remediation activities. It shall not include any costs associated with  
174 ongoing operational environmental compliance of the facility or remediation costs  
175 arising out of spills, leaks, or other releases arising out of the ongoing business  
176 operations of the facility.

177           4. In the exercise of the sound discretion of the director of the department  
178 of economic development or the director's designee, the tax credits and  
179 exemptions described in this section may be terminated, suspended or revoked,  
180 if the eligible project fails to continue to meet the conditions set forth in this  
181 section. In making such a determination, the director shall consider the severity  
182 of the condition violation, actions taken to correct the violation, the frequency of  
183 any condition violations and whether the actions exhibit a pattern of conduct by  
184 the eligible facility owner and operator. The director shall also consider changes  
185 in general economic conditions and the recommendation of the director of the  
186 department of natural resources, or his or her designee, concerning the severity,  
187 scope, nature, frequency and extent of any violations of the environmental  
188 compliance conditions. The taxpayer or person claiming the tax credits or  
189 exemptions may appeal the decision regarding termination, suspension or



190 revocation of any tax credit or exemption in accordance with the procedures  
191 outlined in subsections 4 to 6 of section 135.250, RSMo. The director of the  
192 department of economic development shall notify the directors of the departments  
193 of natural resources and revenue of the termination, suspension or revocation of  
194 any tax credits as determined in this section or pursuant to the provisions of  
195 section 447.716.

196         5. Notwithstanding any provision of law to the contrary, no taxpayer shall  
197 earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2),  
198 (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in  
199 section 135.110, RSMo, or the tax credits, exemptions and refund otherwise  
200 allowed in sections 135.215, 135.220, 135.225 and 135.245, RSMo, respectively,  
201 for the same facility for the same tax period.

202         6. The total amount of the tax credits allowed in subsection 1 of this  
203 section may not exceed the greater of:

204         (1) That portion of the taxpayer's income attributed to the eligible project;  
205 or

206         (2) One hundred percent of the total business' income tax if the eligible  
207 facility does not replace a similar facility that closed elsewhere in Missouri prior  
208 to the end of the taxpayer's tax period in which the tax credits are earned, and  
209 further provided the taxpayer does not operate any other facilities besides the  
210 eligible project in Missouri; fifty percent of the total business' income tax if the  
211 eligible facility replaces a similar facility that closed elsewhere in Missouri prior  
212 to the end of the taxpayer's tax period in which the credits are earned, and  
213 further provided the taxpayer does not operate any other facilities besides the  
214 eligible project in Missouri; or twenty-five percent of the total business income if  
215 the taxpayer operates, in addition to the eligible facility, any other facilities in  
216 Missouri. In no case shall a taxpayer operating more than one eligible project in  
217 Missouri be allowed to offset more than twenty-five percent of the taxpayer's  
218 business income in any tax period. That portion of the taxpayer's income  
219 attributed to the eligible project as referenced in subdivision (1) of this  
220 subsection, for which the credits allowed in sections 135.110 and 135.225, RSMo,  
221 and subsection 3 of this section, may apply, shall be determined in the same  
222 manner as prescribed in subdivision (6) of section 135.100, RSMo. That portion  
223 of the taxpayer's franchise tax attributed to the eligible project for which the  
224 remediation tax credit may offset, shall be determined in the same manner as

225 prescribed in paragraph (a) of subdivision (6) of section 135.100, RSMo.

226           7. Taxpayers claiming the state tax benefits allowed in subdivisions (2)  
227 and (3) of subsection 1 of this section shall be required to file all applicable tax  
228 credit applications, forms and schedules prescribed by the director during the  
229 taxpayer's tax period immediately after the tax period in which the eligible  
230 project was first put into use. Otherwise, the taxpayer's right to claim such state  
231 tax benefits shall be forfeited. Unused business facility and enterprise zone tax  
232 credits shall not be carried forward but shall be initially claimed for the tax  
233 period during which the eligible project was first capable of being used, and  
234 during any applicable subsequent tax periods.

235           8. Taxpayers claiming the remediation tax credit allowed in subsection 3  
236 of this section shall be required to file all applicable tax credit applications, forms  
237 and schedules prescribed by the director during the taxpayer's tax period  
238 immediately after the tax period in which the eligible project was first put into  
239 use, or during the taxpayer's tax period immediately after the tax period in which  
240 the voluntary remediation activities were performed.

241           9. The recipient of remediation tax credits, for the purpose of this  
242 subsection referred to as assignor, may assign, sell or transfer, in whole or in  
243 part, the remediation tax credit allowed in subsection 3 of this section, to any  
244 other person, for the purpose of this subsection referred to as assignee. To perfect  
245 the transfer, the assignor shall provide written notice to the director of the  
246 assignor's intent to transfer the tax credits to the assignee, the date the transfer  
247 is effective, the assignee's name, address and the assignee's tax period and the  
248 amount of tax credits to be transferred. The number of tax periods during which  
249 the assignee may subsequently claim the tax credits shall not exceed twenty tax  
250 periods, less the number of tax periods the assignor previously claimed the credits  
251 before the transfer occurred.

252           10. In the case where an operator and assignor of an eligible project has  
253 been certified to claim state tax benefits allowed in subdivisions (2) and (3) of  
254 subsection 1 of this section, and sells or otherwise transfers title of the eligible  
255 project to another taxpayer or assignee who continues the same or substantially  
256 similar operations at the eligible project, the director shall allow the assignee to  
257 claim the credits for a period of time to be determined by the director; except  
258 that, the total number of tax periods the tax credits may be earned by the  
259 assignor and the assignee shall not exceed ten. To perfect the transfer, the

260 assignor shall provide written notice to the director of the assignor's intent to  
261 transfer the tax credits to the assignee, the date the transfer is effective, the  
262 assignee's name, address, and the assignee's tax period, and the amount of tax  
263 credits to be transferred.

264 11. For the purpose of the state tax benefits described in this section, in  
265 the case of a corporation described in section 143.471, RSMo, or partnership, in  
266 computing Missouri's tax liability, such state benefits shall be allowed to the  
267 following:

268 (1) The shareholders of the corporation described in section 143.471,  
269 RSMo;

270 (2) The partners of the partnership.

271 The credit provided in this subsection shall be apportioned to the entities  
272 described in subdivisions (1) and (2) of this subsection in proportion to their share  
273 of ownership on the last day of the taxpayer's tax period.

620.1878. For the purposes of sections 620.1875 to 620.1890, the following  
2 terms shall mean:

3 (1) "Approval", a document submitted by the department to the qualified  
4 company that states the benefits that may be provided by this program;

5 (2) "Average wage", the new payroll divided by the number of new jobs;

6 (3) "Commencement of operations", the starting date for the qualified  
7 company's first new employee, which must be no later than twelve months from  
8 the date of the approval;

9 (4) "County average wage", the average wages in each county as  
10 determined by the department for the most recently completed full calendar  
11 year. However, if the computed county average wage is above the statewide  
12 average wage, the statewide average wage shall be deemed the county average  
13 wage for such county for the purpose of determining eligibility. The department  
14 shall publish the county average wage for each county at least  
15 annually. Notwithstanding the provisions of this subdivision to the contrary, for  
16 any qualified company that in conjunction with their project is relocating  
17 employees from a Missouri county with a higher county average wage, the  
18 company shall obtain the endorsement of the governing body of the community  
19 from which jobs are being relocated or the county average wage for their project  
20 shall be the county average wage for the county from which the employees are  
21 being relocated;

22 (5) "Department", the Missouri department of economic development;

23 (6) "Director", the director of the department of economic development;

24 (7) "Employee", a person employed by a qualified company;

25 (8) "Full-time employee", an employee of the qualified company that is  
26 scheduled to work an average of at least thirty-five hours per week for a  
27 twelve-month period, and one for which the qualified company offers health  
28 insurance and pays at least fifty percent of such insurance premiums;

29 (9) "High-impact project", a qualified company that, within two years from  
30 commencement of operations, creates one hundred or more new jobs;

31 (10) "Local incentives", the present value of the dollar amount of direct  
32 benefit received by a qualified company for a project facility from one or more  
33 local political subdivisions, but shall not include loans or other funds provided to  
34 the qualified company that must be repaid by the qualified company to the  
35 political subdivision;

36 (11) "NAICS", the 1997 edition of the North American Industry  
37 Classification System as prepared by the Executive Office of the President, Office  
38 of Management and Budget. Any NAICS sector, subsector, industry group or  
39 industry identified in this section shall include its corresponding classification in  
40 subsequent federal industry classification systems;

41 (12) "New direct local revenue", the present value of the dollar amount of  
42 direct net new tax revenues of the local political subdivisions likely to be  
43 produced by the project over a ten-year period as calculated by the department,  
44 excluding local earnings tax, and net new utility revenues, provided the local  
45 incentives include a discount or other direct incentives from utilities owned or  
46 operated by the political subdivision;

47 (13) "New investment", the purchase or leasing of new tangible assets to  
48 be placed in operation at the project facility, which will be directly related to the  
49 new jobs;

50 (14) "New job", the number of full-time employees located at the project  
51 facility that exceeds the project facility base employment less any decrease in the  
52 number of full-time employees at related facilities below the related facility base  
53 employment. No job that was created prior to the date of the notice of intent  
54 shall be deemed a new job. An employee that spends less than fifty percent of the  
55 employee's work time at the facility is still considered to be located at a facility  
56 if the employee receives his or her directions and control from that facility, is on

57 the facility's payroll, one hundred percent of the employee's income from such  
58 employment is Missouri income, and the employee is paid at or above the state  
59 average wage;

60 (15) "New payroll", the amount of taxable wages of full-time employees,  
61 excluding owners, located at the project facility that exceeds the project facility  
62 base payroll. If full-time employment at related facilities is below the related  
63 facility base employment, any decrease in payroll for full-time employees at the  
64 related facilities below that related facility base payroll shall also be subtracted  
65 to determine new payroll;

66 (16) "Notice of intent", a form developed by the department, completed by  
67 the qualified company and submitted to the department which states the  
68 qualified company's intent to hire new jobs and request benefits under this  
69 program;

70 (17) "Percent of local incentives", the amount of local incentives divided  
71 by the amount of new direct local revenue;

72 (18) "Program", the Missouri quality jobs program provided in sections  
73 620.1875 to 620.1890;

74 (19) "Project facility", the building used by a qualified company at which  
75 the new jobs and new investment will be located. A project facility may include  
76 separate buildings that are located within one mile of each other **or within the**  
77 **same county** such that their purpose and operations are interrelated;

78 (20) "Project facility base employment", the greater of the number of  
79 full-time employees located at the project facility on the date of the notice of  
80 intent or for the twelve-month period prior to the date of the notice of intent, the  
81 average number of full-time employees located at the project facility. In the event  
82 the project facility has not been in operation for a full twelve-month period, the  
83 average number of full-time employees for the number of months the project  
84 facility has been in operation prior to the date of the notice of intent;

85 (21) "Project facility base payroll", the total amount of taxable wages paid  
86 by the qualified company to full-time employees of the qualified company located  
87 at the project facility in the twelve months prior to the notice of intent, not  
88 including the payroll of the owners of the qualified company unless the qualified  
89 company is participating in an employee stock ownership plan. For purposes of  
90 calculating the benefits under this program, the amount of base payroll shall  
91 increase each year based on an appropriate measure, as determined by the

92 department;

93 (22) "Project period", the time period that the benefits are provided to a  
94 qualified company;

95 (23) "Qualified company", a firm, partnership, joint venture, association,  
96 private or public corporation whether organized for profit or not, or headquarters  
97 of such entity registered to do business in Missouri that is the owner or operator  
98 of a project facility, offers health insurance to all full-time employees of all  
99 facilities located in this state, and pays at least fifty percent of such insurance  
100 premiums. For the purposes of sections 620.1875 to 620.1890, the term "qualified  
101 company" shall not include:

102 (a) Gambling establishments (NAICS industry group 7132);

103 (b) Retail trade establishments (NAICS sectors 44 and 45);

104 (c) Food and drinking places (NAICS subsector 722);

105 (d) Public utilities (NAICS 221 including water and sewer services);

106 (e) Any company that is delinquent in the payment of any nonprotested  
107 taxes or any other amounts due the state or federal government or any other  
108 political subdivision of this state;

109 (f) Any company that has filed for or has publicly announced its intention  
110 to file for bankruptcy protection;

111 (g) Educational services (NAICS sector 61);

112 (h) Religious organizations (NAICS industry group 8131); [or]

113 (i) Public administration (NAICS sector 92);

114 **(j) Ethanol distillation or production; or**

115 **(k) Biodiesel production.**

116 Notwithstanding any provision of this section to the contrary, the headquarters  
117 or administrative offices of an otherwise excluded business may qualify for  
118 benefits if the offices serve a multistate territory. In the event a national, state,  
119 or regional headquarters operation is not the predominant activity of a project  
120 facility, the new jobs and investment of such headquarters operation is considered  
121 eligible for benefits under this section if the other requirements are satisfied;

122 **(24) "Qualified renewable energy sources" shall not be construed**  
123 **to include ethanol distillation or production or biodiesel production;**  
124 **however, it shall include:**

125 **(a) Open-looped biomass;**

126 **(b) Close-looped biomass;**

127           **(c) Solar;**

128           **(d) Wind;**

129           **(e) Geothermal; and**

130           **(f) Hydropower;**

131           **(25)** "Related company" means:

132           (a) A corporation, partnership, trust, or association controlled by the  
133 qualified company;

134           (b) An individual, corporation, partnership, trust, or association in control  
135 of the qualified company; or

136           (c) Corporations, partnerships, trusts or associations controlled by an  
137 individual, corporation, partnership, trust or association in control of the  
138 qualified company. As used in this subdivision, control of a corporation shall  
139 mean ownership, directly or indirectly, of stock possessing at least fifty percent  
140 of the total combined voting power of all classes of stock entitled to vote, control  
141 of a partnership or association shall mean ownership of at least fifty percent of  
142 the capital or profits interest in such partnership or association, control of a trust  
143 shall mean ownership, directly or indirectly, of at least fifty percent of the  
144 beneficial interest in the principal or income of such trust, and ownership shall  
145 be determined as provided in Section 318 of the Internal Revenue Code of 1986,  
146 as amended;

147           **[(25)] (26)** "Related facility", a facility operated by the qualified company  
148 or a related company located in this state that is directly related to the operations  
149 of the project facility;

150           **[(26)] (27)** "Related facility base employment", the greater of the number  
151 of full-time employees located at all related facilities on the date of the notice of  
152 intent or for the twelve-month period prior to the date of the notice of intent, the  
153 average number of full-time employees located at all related facilities of the  
154 qualified company or a related company located in this state;

155           **[(27)] (28)** "Related facility base payroll", the total amount of taxable  
156 wages paid by the qualified company to full-time employees of the qualified  
157 company located at a related facility in the twelve months prior to the filing of  
158 the notice of intent, not including the payroll of the owners of the qualified  
159 company unless the qualified company is participating in an employee stock  
160 ownership plan. For purposes of calculating the benefits under this program, the  
161 amount of related facility base payroll shall increase each year based on an

162 appropriate measure, as determined by the department;

163           [(28)] **(29)** "Rural area", a county in Missouri with a population less than  
164 seventy-five thousand or that does not contain an individual city with a  
165 population greater than fifty thousand according to the most recent federal  
166 decennial census;

167           [(29)] **(30)** "Small and expanding business project", a qualified company  
168 that within two years of the date of the approval creates a minimum of twenty  
169 new jobs if the project facility is located in a rural area or a minimum of forty  
170 new jobs if the project facility is not located in a rural area and creates fewer  
171 than one hundred new jobs regardless of the location of the project facility;

172           [(30)] **(31)** "Tax credits", tax credits issued by the department to offset  
173 the state income taxes imposed by chapters 143 and 148, RSMo, or which may be  
174 sold or refunded as provided for in this program;

175           [(31)] **(32)** "Technology business project", a qualified company that within  
176 two years of the date of the approval creates a minimum of ten new jobs involved  
177 in the operations of a [technology] company:

178           **(a) Which is a technology company**, as determined by a regulation  
179 promulgated by the department under the provisions of section 620.1884 or  
180 classified by NAICS codes;

181           **(b) Which owns or leases a facility which produces electricity**  
182 **derived from qualified renewable energy sources, or produces fuel for**  
183 **the generation of electricity from qualified renewable energy sources,**  
184 **but does not include any company that has received the alcohol**  
185 **mixture credit, alcohol credit, or small ethanol producer credit**  
186 **pursuant to 26 U.S.C. Section 40 of the tax code in the previous tax**  
187 **year; or**

188           **(c) Which researches, develops, or manufactures power system technology**  
189 **for: aerospace; space; defense; hybrid vehicles; or implantable or wearable**  
190 **medical devices;**

191           [(32)] **(33)** "Withholding tax", the state tax imposed by sections 143.191  
192 to 143.265, RSMo. For purposes of this program, the withholding tax shall be  
193 computed using a schedule as determined by the department based on average  
194 wages.

          620.1881. 1. The department of economic development shall respond  
2 within thirty days to a company who provides a notice of intent with either an



3 approval or a rejection of the notice of intent. The department shall give  
4 preference to qualified companies and projects targeted at an area of the state  
5 which has recently been classified as a disaster area by the federal  
6 government. Failure to respond on behalf of the department of economic  
7 development shall result in the notice of intent being deemed an approval for the  
8 purposes of this section. A qualified company who is provided an approval for a  
9 project shall be allowed a benefit as provided in this program in the amount and  
10 duration provided in this section. A qualified company may receive additional  
11 periods for subsequent new jobs at the same facility after the full initial period  
12 if the minimum thresholds are met as set forth in sections 620.1875 to  
13 620.1890. There is no limit on the number of periods a qualified company may  
14 participate in the program, as long as the minimum thresholds are achieved and  
15 the qualified company provides the department with the required reporting and  
16 is in proper compliance for this program or other state programs. A qualified  
17 company may elect to file a notice of intent to start a new project period  
18 concurrent with an existing project period if the minimum thresholds are  
19 achieved and the qualified company provides the department with the required  
20 reporting and is in proper compliance for this program and other state programs;  
21 however, the qualified company may not receive any further benefit under the  
22 original approval for jobs created after the date of the new notice of intent, and  
23 any jobs created before the new notice of intent may not be included as new jobs  
24 for the purpose of benefit calculation in relation to the new approval.

25       2. Notwithstanding any provision of law to the contrary, any qualified  
26 company that is awarded benefits under this program may not simultaneously  
27 receive tax credits or exemptions under sections 135.100 to 135.150, sections  
28 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906, RSMo, at the  
29 same project facility. The benefits available to the company under any other  
30 state programs for which the company is eligible and which utilize withholding  
31 tax from the new jobs of the company must first be credited to the other state  
32 program before the withholding retention level applicable under the Missouri  
33 quality jobs act will begin to accrue. These other state programs include, but are  
34 not limited to, the new jobs training program under sections 178.892 to 178.896,  
35 RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the  
36 real property tax increment allocation redevelopment act, sections 99.800 to  
37 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under

38 sections 99.915 to 99.980, RSMo. If any qualified company also participates in  
39 the new jobs training program in sections 178.892 to 178.896, RSMo, the company  
40 shall retain no withholding tax, but the department shall issue a refundable tax  
41 credit for the full amount of benefit allowed under this subdivision. The calendar  
42 year annual maximum amount of tax credits which may be issued to a qualifying  
43 company that also participates in the new job training program shall be increased  
44 by an amount equivalent to the withholding tax retained by that company under  
45 the new jobs training program. However, if the combined benefits of the quality  
46 jobs program and the new jobs training program exceed the projected state  
47 benefit of the project, as determined by the department of economic development  
48 through a cost-benefit analysis, the increase in the maximum tax credits shall be  
49 limited to the amount that would not cause the combined benefits to exceed the  
50 projected state benefit. Any taxpayer who is awarded benefits under this  
51 program who knowingly hires individuals who are not allowed to work legally in  
52 the United States shall immediately forfeit such benefits and shall repay the  
53 state an amount equal to any state tax credits already redeemed and any  
54 withholding taxes already retained.

55 3. The types of projects and the amount of benefits to be provided are:

56 (1) Small and expanding business projects: in exchange for the  
57 consideration provided by the new tax revenues and other economic stimuli that  
58 will be generated by the new jobs created by the program, a qualified company  
59 may retain an amount equal to the withholding tax as calculated under  
60 subdivision (32) of section 620.1878 from the new jobs that would otherwise be  
61 withheld and remitted by the qualified company under the provisions of sections  
62 143.191 to 143.265, RSMo, for a period of three years from the date the required  
63 number of new jobs were created if the average wage of the new payroll equals  
64 or exceeds the county average wage or for a period of five years from the date the  
65 required number of new jobs were created if the average wage of the new payroll  
66 equals or exceeds one hundred twenty percent of the county average wage;

67 (2) Technology business projects: in exchange for the consideration  
68 provided by the new tax revenues and other economic stimuli that will be  
69 generated by the new jobs created by the program, a qualified company may  
70 retain an amount equal to a maximum of five percent of new payroll for a period  
71 of five years from the date the required number of jobs were created from the  
72 withholding tax of the new jobs that would otherwise be withheld and remitted

73 by the qualified company under the provisions of sections 143.191 to 143.265,  
74 RSMo, if the average wage of the new payroll equals or exceeds the county  
75 average wage. An additional one-half percent of new payroll may be added to the  
76 five percent maximum if the average wage of the new payroll in any year exceeds  
77 one hundred twenty percent of the county average wage in the county in which  
78 the project facility is located, plus an additional one-half percent of new payroll  
79 may be added if the average wage of the new payroll in any year exceeds one  
80 hundred forty percent of the average wage in the county in which the project  
81 facility is located. The department shall issue a refundable tax credit for any  
82 difference between the amount of benefit allowed under this subdivision and the  
83 amount of withholding tax retained by the company, in the event the withholding  
84 tax is not sufficient to provide the entire amount of benefit due to the qualified  
85 company under this subdivision. The calendar year annual maximum amount of  
86 tax credits that may be issued to any qualified company for a project or  
87 combination of projects is five hundred thousand dollars;

88 (3) High impact projects: in exchange for the consideration provided by  
89 the new tax revenues and other economic stimuli that will be generated by the  
90 new jobs created by the program, a qualified company may retain an amount from  
91 the withholding tax of the new jobs that would otherwise be withheld and  
92 remitted by the qualified company under the provisions of sections 143.191 to  
93 143.265, RSMo, equal to three percent of new payroll for a period of five years  
94 from the date the required number of jobs were created if the average wage of the  
95 new payroll equals or exceeds the county average wage of the county in which the  
96 project facility is located. The percentage of payroll allowed under this  
97 subdivision shall be three and one-half percent of new payroll if the average wage  
98 of the new payroll in any year exceeds one hundred twenty percent of the county  
99 average wage in the county in which the project facility is located. The  
100 percentage of payroll allowed under this subdivision shall be four percent of new  
101 payroll if the average wage of the new payroll in any year exceeds one hundred  
102 forty percent of the county average wage in the county in which the project  
103 facility is located. An additional one percent of new payroll may be added to  
104 these percentages if local incentives equal between ten percent and twenty-four  
105 percent of the new direct local revenue; an additional two percent of new payroll  
106 is added to these percentages if the local incentives equal between twenty-five  
107 percent and forty-nine percent of the new direct local revenue; or an additional

108 three percent of payroll is added to these percentages if the local incentives equal  
109 fifty percent or more of the new direct local revenue. The department shall issue  
110 a refundable tax credit for any difference between the amount of benefit allowed  
111 under this subdivision and the amount of withholding tax retained by the  
112 company, in the event the withholding tax is not sufficient to provide the entire  
113 amount of benefit due to the qualified company under this subdivision. The  
114 calendar year annual maximum amount of tax credits that may be issued to any  
115 qualified company for a project or combination of projects is seven hundred fifty  
116 thousand dollars. The calendar year annual maximum amount of tax credit that  
117 may be issued to any qualified company for a project or combination of projects  
118 may be increased up to one million dollars if the number of new jobs will exceed  
119 five hundred and if such action is proposed by the department and approved by  
120 the quality jobs advisory task force established in section 620.1887; provided,  
121 however, until such time as the initial at-large members of the quality jobs  
122 advisory task force are appointed, this determination shall be made by the  
123 director of the department of economic development. In considering such a  
124 request, the task force shall rely on economic modeling and other information  
125 supplied by the department when requesting the increased limit on behalf of the  
126 project;

127 (4) Job retention projects: a qualified company may receive a tax credit  
128 for the retention of jobs in this state, provided the qualified company and the  
129 project meets all of the following conditions:

130 (a) For each of the twenty-four months preceding the year in which  
131 application for the program is made the qualified company must have maintained  
132 at least one thousand full-time employees at the employer's site in the state at  
133 which the jobs are based, and the average wage of such employees must meet or  
134 exceed the county average wage;

135 (b) The qualified company retained at the project facility the level of  
136 full-time employees that existed in the taxable year immediately preceding the  
137 year in which application for the program is made;

138 (c) The qualified company is considered to have a significant statewide  
139 effect on the economy, and has been determined to represent a substantial risk  
140 of relocation from the state by the quality jobs advisory task force established in  
141 section 620.1887; provided, however, until such time as the initial at-large  
142 members of the quality jobs advisory task force are appointed, this determination

143 shall be made by the director of the department of economic development;

144 (d) The qualified company in the project facility will cause to be invested  
145 a minimum of seventy million dollars in new investment prior to the end of two  
146 years or will cause to be invested a minimum of thirty million dollars in new  
147 investment prior to the end of two years and maintain an annual payroll of at  
148 least seventy million dollars during each of the years for which a credit is  
149 claimed; and

150 (e) The local taxing entities shall provide local incentives of at least fifty  
151 percent of the new direct local revenues created by the project over a ten-year  
152 period.

153 The quality jobs advisory task force may recommend to the department of  
154 economic development that appropriate penalties be applied to the company for  
155 violating the agreement. The amount of the job retention credit granted may be  
156 equal to up to fifty percent of the amount of withholding tax generated by the  
157 full-time jobs at the project facility for a period of five years. The calendar year  
158 annual maximum amount of tax credit that may be issued to any qualified  
159 company for a job retention project or combination of job retention projects shall  
160 be seven hundred fifty thousand dollars per year, but the maximum amount may  
161 be increased up to one million dollars if such action is proposed by the  
162 department and approved by the quality jobs advisory task force established in  
163 section 620.1887; provided, however, until such time as the initial at-large  
164 members of the quality jobs advisory task force are appointed, this determination  
165 shall be made by the director of the department of economic development. In  
166 considering such a request, the task force shall rely on economic modeling and  
167 other information supplied by the department when requesting the increased  
168 limit on behalf of the job retention project. In no event shall the total amount of  
169 all tax credits issued for the entire job retention program under this subdivision  
170 exceed three million dollars annually. Notwithstanding the above, no tax credits  
171 shall be issued for job retention projects approved by the department after August  
172 30, [2007] **2013**;

173 (5) Small business job retention and flood survivor relief: a qualified  
174 company may receive a tax credit under sections 620.1875 to 620.1890 for the  
175 retention of jobs and flood survivor relief in this state for each job retained over  
176 a three-year period, provided that:

177 (a) The qualified company did not receive any state or federal benefits,

178 incentives, or tax relief or abatement in locating its facility in a flood plain;

179 (b) The qualified company and related companies have fewer than one  
180 hundred employees at the time application for the program is made;

181 (c) The average wage of the qualified company's and related companies'  
182 employees must meet or exceed the county average wage;

183 (d) All of the qualified company's and related companies' facilities are  
184 located in this state;

185 (e) The facilities at the primary business site in this state have been  
186 directly damaged by floodwater rising above the level of a five hundred year flood  
187 at least two years, but fewer than eight years, prior to the time application is  
188 made;

189 (f) The qualified company made significant efforts to protect the facilities  
190 prior to any impending danger from rising floodwaters;

191 (g) For each year it receives tax credits under sections 620.1875 to  
192 620.1890, the qualified company and related companies retained, at the  
193 company's facilities in this state, at least the level of full-time, year-round  
194 employees that existed in the taxable year immediately preceding the year in  
195 which application for the program is made; and

196 (h) In the years it receives tax credits under sections 620.1875 to  
197 620.1890, the company cumulatively invests at least two million dollars in capital  
198 improvements in facilities and equipment located at such facilities that are not  
199 located within a five hundred year flood plain as designated by the Federal  
200 Emergency Management Agency, and amended from time to time.

201 The amount of the small business job retention and flood survivor relief credit  
202 granted may be equal to up to one hundred percent of the amount of withholding  
203 tax generated by the full-time jobs at the project facility for a period of three  
204 years. The calendar year annual maximum amount of tax credit that may be  
205 issued to any qualified company for a small business job retention and survivor  
206 relief project shall be two hundred fifty thousand dollars per year, but the  
207 maximum amount may be increased up to five hundred thousand dollars if such  
208 action is proposed by the department and approved by the quality jobs advisory  
209 task force established in section 620.1887. In considering such a request, the  
210 task force shall rely on economic modeling and other information supplied by the  
211 department when requesting an increase in the limit on behalf of the small  
212 business job retention and flood survivor relief project. In no event shall the total

213 amount of all tax credits issued for the entire small business job retention and  
214 flood survivor relief program under this subdivision exceed five hundred thousand  
215 dollars annually. Notwithstanding the provisions of this subdivision to the  
216 contrary, no tax credits shall be issued for small business job retention and flood  
217 survivor relief projects approved by the department after August 30, 2010.

218 4. The qualified company shall provide an annual report of the number  
219 of jobs and such other information as may be required by the department to  
220 document the basis for the benefits of this program. The department may  
221 withhold the approval of any benefits until it is satisfied that proper  
222 documentation has been provided, and shall reduce the benefits to reflect any  
223 reduction in full-time employees or new payroll. Upon approval by the  
224 department, the qualified company may begin the retention of the withholding  
225 taxes when it reaches the minimum number of new jobs and the average wage  
226 exceeds the county average wage. Tax credits, if any, may be issued upon  
227 satisfaction by the department that the qualified company has exceeded the  
228 county average wage and the minimum number of new jobs. In such annual  
229 report, if the average wage is below the county average wage, the qualified  
230 company has not maintained the employee insurance as required, or if the  
231 number of new jobs is below the minimum, the qualified company shall not  
232 receive tax credits or retain the withholding tax for the balance of the benefit  
233 period. In the case of a qualified company that initially filed a notice of intent  
234 and received an approval from the department for high impact benefits and the  
235 minimum number of new jobs in an annual report is below the minimum for high  
236 impact projects, the company shall not receive tax credits for the balance of the  
237 benefit period but may continue to retain the withholding taxes if it otherwise  
238 meets the requirements of a small and expanding business under this program.

239 5. The maximum calendar year annual tax credits issued for the entire  
240 program shall not exceed [forty] **sixty** million dollars. Notwithstanding any  
241 provision of law to the contrary, the maximum annual tax credits authorized  
242 under section 135.535, RSMo, are hereby reduced from ten million dollars to eight  
243 million dollars, with the balance of two million dollars transferred to this  
244 program. There shall be no limit on the amount of withholding taxes that may  
245 be retained by approved companies under this program.

246 6. The department shall allocate the annual tax credits based on the date  
247 of the approval, reserving such tax credits based on the department's best

248 estimate of new jobs and new payroll of the project, and the other factors in the  
249 determination of benefits of this program. However, the annual issuance of tax  
250 credits is subject to the annual verification of the actual new payroll. The  
251 allocation of tax credits for the period assigned to a project shall expire if, within  
252 two years from the date of commencement of operations, or approval if applicable,  
253 the minimum thresholds have not been achieved. The qualified company may  
254 retain authorized amounts from the withholding tax under this section once the  
255 minimum new jobs thresholds are met for the duration of the project period. No  
256 benefits shall be provided under this program until the qualified company meets  
257 the minimum new jobs thresholds. In the event the qualified company does not  
258 meet the minimum new job threshold, the qualified company may submit a new  
259 notice of intent or the department may provide a new approval for a new project  
260 of the qualified company at the project facility or other facilities.

261         7. For a qualified company with flow-through tax treatment to its  
262 members, partners, or shareholders, the tax credit shall be allowed to members,  
263 partners, or shareholders in proportion to their share of ownership on the last  
264 day of the qualified company's tax period.

265         8. Tax credits may be claimed against taxes otherwise imposed by  
266 chapters 143 and 148, RSMo, and may not be carried forward but shall be claimed  
267 within one year of the close of the taxable year for which they were issued, except  
268 as provided under subdivision (4) of subsection 3 of this section.

269         9. Tax credits authorized by this section may be transferred, sold, or  
270 assigned by filing a notarized endorsement thereof with the department that  
271 names the transferee, the amount of tax credit transferred, and the value received  
272 for the credit, as well as any other information reasonably requested by the  
273 department.

274         10. Prior to the issuance of tax credits, the department shall verify  
275 through the department of revenue, or any other state department, that the tax  
276 credit applicant does not owe any delinquent income, sales, or use tax or interest  
277 or penalties on such taxes, or any delinquent fees or assessments levied by any  
278 state department and through the department of insurance that the applicant  
279 does not owe any delinquent insurance taxes. Such delinquency shall not affect  
280 the authorization of the application for such tax credits, except that at issuance  
281 credits shall be first applied to the delinquency and any amount issued shall be  
282 reduced by the applicant's tax delinquency. If the department of revenue or the



283 department of insurance, or any other state department, concludes that a  
284 taxpayer is delinquent after June fifteenth but before July first of any year and  
285 the application of tax credits to such delinquency causes a tax deficiency on  
286 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to  
287 satisfy the deficiency in which interest, penalties, and additions to tax shall be  
288 tolled. After applying all available credits toward a tax delinquency, the  
289 administering agency shall notify the appropriate department and that  
290 department shall update the amount of outstanding delinquent tax owed by the  
291 applicant. If any credits remain after satisfying all insurance, income, sales, and  
292 use tax delinquencies, the remaining credits shall be issued to the applicant,  
293 subject to the restrictions of other provisions of law.

294 11. Except as provided under subdivision (4) of subsection 3 of this  
295 section, the director of revenue shall issue a refund to the qualified company to  
296 the extent that the amount of credits allowed in this section exceeds the amount  
297 of the qualified company's income tax.

298 12. An employee of a qualified company will receive full credit for the  
299 amount of tax withheld as provided in section 143.211, RSMo.

300 13. If any provision of sections 620.1875 to 620.1890 or application thereof  
301 to any person or circumstance is held invalid, the invalidity shall not affect other  
302 provisions or application of these sections which can be given effect without the  
303 invalid provisions or application, and to this end, the provisions of sections  
304 620.1875 to 620.1890 are hereby declared severable.

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